



**STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS**

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2018

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



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STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

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AGENCY OFFICIALS

AGENCY OFFICIALS – CENTRAL OFFICE

Director	Erica Jeffries (through 5/18/18) Elisabeth Pennix (5/19/18 – 6/5/18) Stephen Curda, Acting (6/6/18 – 2/15/19) Linda Chapa LaVia, Acting (2/16/19 - present)
Assistant Director	Harry Sawyer (through 5/18/18) Vacant (5/19/18 – 8/26/18) Russ Litko, Acting (8/27/18 – present)
Chief of Staff	Renyscha Brown (through 8/15/18) Virginia Narsete (8/8/18 – 4/30/19) Tony Kolbeck (5/1/19 – present)
Chief Legal Counsel	Matthew Roberts (though 11/30/16) Elisabeth Pennix (11/16/16 – present)
Chief Fiscal Officer	Leasa Ewing, Acting (through 7/31/16) Harold Wilson (8/1/16 – 10/24/16) William Blinn, Acting (10/25/16 – 12/31/16) Connie Sabo (1/1/17 – 9/28/18) Vacant (9/29/18 – 10/31/18) Leasa Ewing, Acting (11/1/18 – present)
Sr. Home Administrator	Lenard Winnicki
Chief Internal Auditor	Rusti Cummings (12/1/15 – 2/28/19) Vacant (3/1/19 – present)

Department offices are located at:

833 S. Spring Street
P.O. Box 19432
Springfield, Illinois 62794-9432

69 W. Washington Street, 16th Floor
Chicago, Illinois 60601

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
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For the Two Years Ended June 30, 2018

AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT ANNA

Home Administrator	Angela Simmons
Business Administrator	Vacant (through 8/31/16) Donna Murray (9/1/16 – present)
Adjutant	Bryan Questelle (through 9/15/16) Vacant (9/16/16 – 12/31/17) Anthony Barnett (1/1/18 – present)

The Home is located at:

792 North Main Street
Anna, Illinois 62906

AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT LASALLE

Home Administrator	Sherri Whitmer (through 8/19/18) Jackie Cook, Interim (8/20/18 – present)
Business Administrator	John Graham
Adjutant	Martin Meredith, Interim (through 9/15/16) Vacant (9/16/16 – 10/31/17) Michael Sheldon (11/1/17 – present)

The Home is located at:

1015 O'Conor Avenue
LaSalle, Illinois 61301

STATE OF ILLINOIS
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AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT MANTENO

Home Administrator Lester Robertson (through 5/31/18)
Vacant (6/1/18 – 7/15/18)
Tanya Smith (7/16/18 – present)

Business Administrator Stanley Stam

Adjutant Tanya Smith (through 7/15/18)
Vacant (7/16/18 – present)

The Home is located at:

1 Veterans Drive
Manteno, Illinois 60950

AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT QUINCY

Home Administrator Vacant (through 8/21/16)
Troy Culbertson (8/22/16 – present)

Business Administrator Keith Gerhardt, Acting (through 12/18/16)
Hannah Ajdinovich, Acting (12/19/16 – 05/31/17)
Hannah Ajdinovich (6/1/17 – present)

Adjutant Dawn Whitcomb

The Home is located at:

1707 North 12th Street
Quincy, Illinois 62301



STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS

P.O. Box 19432, 833 South Spring Street, Springfield IL 62794
Telephone: 217/782-6641 * FAX: 217/524-0344

JB PRITZKER
GOVERNOR

LINDA CHAPA LAVIA
ACTING DIRECTOR

MANAGEMENT ASSERTION LETTER

May 24, 2019

Sikich LLP
3201 West White Oaks Dr. 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 Illinois Department of Veterans' Affairs. 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 Illinois Department of Veterans' Affairs compliance with the following assertions during the two-year period ended June 30, 2018. Based on this evaluation, we assert that during the years ended June 30, 2017 and June 30, 2018, the Illinois Department of Veterans' Affairs has materially complied with the assertions below.

- A. The Illinois Department of Veterans' Affairs 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 Illinois Department of Veterans' Affairs 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 Illinois Department of Veterans' Affairs 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 Illinois Department of Veterans' Affairs 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 Illinois Department of Veterans' Affairs on behalf of the State or held in trust by the Illinois Department of Veterans' Affairs have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Illinois Department of Veterans' Affairs

SIGNED ORIGINAL ON FILE

Linda Chapa LaVia, Acting Director

SIGNED ORIGINAL ON FILE

Leasa Ewing, Acting Fiscal Officer

Elisabeth Pennix, Legal Counsel

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

Yours truly,

Illinois Department of Veterans' Affairs

Linda Chapa LaVia, Acting Director

Leasa Ewina, Acting Fiscal Officer

SIGNED ORIGINAL ON FILE

Elisabeth Pennix, Legal Counsel

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
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For the Two Years Ended June 30, 2018

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

SUMMARY OF FINDINGS

<u>Number of Findings</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	15	12
Repeated findings	7	4
Prior recommendations implemented or not repeated	5	7

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2018-001	14	Inadequate controls over the purchase, recording and reporting of State property	Noncompliance and Significant Deficiency
2018-002	20	Employee performance evaluations not performed timely	Noncompliance and Significant Deficiency
2018-003	21	Inaccurate Agency Workforce Reports	Noncompliance and Significant Deficiency
2018-004	23	Inaccurate reporting of emergency purchases	Noncompliance and Significant Deficiency
2018-005	25	Weaknesses in performing reconciliations	Noncompliance and Significant Deficiency

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<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2018-006	27	Inaccurate Agency Fee Imposition Report	Noncompliance and Significant Deficiency
2018-007	29	Incorrect calculation of resident maintenance fees	Noncompliance and Significant Deficiency
2018-008	31	Inadequate controls over locally held funds	Noncompliance and Significant Deficiency
2018-009	33	Untimely approval of vouchers	Noncompliance and Significant Deficiency
2018-010	34	Inaccurate compilation and reporting of field service office activities and information	Noncompliance and Significant Deficiency
2018-011	36	Noncompliance with the Fiscal Control and Internal Auditing Act	Noncompliance and Significant Deficiency
2018-012	38	Computer security weaknesses	Noncompliance and Significant Deficiency
2018-013	40	Lack of disaster contingency planning or testing to ensure recovery of applications and data	Noncompliance and Significant Deficiency
2018-014	42	Lack of due diligence over ERP transition	Noncompliance and Significant Deficiency
2018-015	43	Lack of adequate controls over the review of internal controls over external service providers	Noncompliance and Significant Deficiency

PRIOR FINDINGS NOT REPEATED

A	45	Inaccurate reporting of federal awards	
B	45	Improper use of Members' Trust Fund at the Quincy Veterans' Home	
C	45	Noncompliance with the Veterans' and Military Discount Program Act	
D	45	Noncompliance with Employment and Economic Opportunity for Persons with Disabilities Task Force	
E	46	Noncompliance with statutory council, committee, and commission requirements	

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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on May 16, 2019. Attending were:

Illinois Department of Veterans' Affairs

Linda Chapa LaVia, Acting Director
Tony Kolbeck, Chief of Staff
Leasa Ewing, Acting Chief Fiscal Officer
Matt Eddington, Deputy General Counsel
Mark Sherbeyn, Human Resources Manager
Len Winnicki, Senior Home Administrator

Office of the Auditor General

Adam Ausmus, Audit Manager
Kathy Lovejoy, Senior Audit Manager
Miranda Stromquist, IS Audit Supervisor

Sikich LLP – Special Assistant Auditors

Amy L. Sherwood, Partner
Ryan Randolph, Manager
Samantha Bugg, Manager
Shannon Manfre, Staff Accountant

The responses to the recommendations were provided by Mark Sherbeyn, Human Resources Manager, in a correspondence dated May 24, 2019.

3201 W. White Oaks Dr., Suite 102
Springfield, IL 62704
217.793.3363

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INDEPENDENT ACCOUNTANT’S REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Department of Veterans’ Affairs 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, 2018. The management of the State of Illinois, Department of Veterans’ Affairs is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Veterans’ Affairs compliance based on our examination.

- A. The State of Illinois, Department of Veterans’ Affairs has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Department of Veterans’ Affairs has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Department of Veterans’ Affairs 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 State of Illinois, Department of Veterans’ Affairs are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Department of Veterans’ Affairs on behalf of the State or held in trust by the State of Illinois, Department of Veterans’ Affairs 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 (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the State of Illinois, Department of Veterans' Affairs complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Department of Veterans' Affairs complied with the specified requirements listed above. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Department of Veterans' Affairs compliance with specified requirements.

In our opinion, the State of Illinois, Department of Veterans' Affairs complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2018. However, the results of our procedures disclosed 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 2018-001 through 2018-015.

The State of Illinois, Department of Veterans' Affairs responses to the findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Department of Veterans' Affairs responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Internal Control

Management of the State of Illinois, Department of Veterans' Affairs 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 State of Illinois, Department of Veterans' Affairs 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 State of Illinois, Department of Veterans' Affairs internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Veterans' Affairs internal control over compliance.

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 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. *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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as items 2018-001 through 2018-015, that we consider 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 State of Illinois, Department of Veterans' Affairs responses to the internal control findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Department of Veterans' Affairs responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2018 and June 30, 2017 in Schedules 1 through 8 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2018 and June 30, 2017 accompanying supplementary information in Schedules 1 through 8. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2016 accompanying supplementary information in Schedules 3, 4, 6 through 8 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

SIGNED ORIGINAL ON FILE

Springfield, Illinois
May 24, 2019

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

SCHEDULE OF FINDINGS

CURRENT FINDINGS – State Compliance

2018-001. FINDING (Inadequate controls over the purchase, recording and reporting of State property)

The Illinois Department of Veterans' Affairs (Department) did not exercise adequate control over the purchase, recording and reporting of State property. We noted the following during our examination of the Department's equipment records and controls over property:

- During our testing of the Department's preparation of the Agency Report of State Property (C-15), we noted errors in eight of eight (100%) quarters tested. Specifically:
 - In four of eight (50%) quarters, the C-15 was submitted between one to 29 days late.
 - The Department prepared their C-15s based on expenditure records, rather than property records.
 - The Department did not include Capital Development Board (CDB) transfers on its property records for three of three (100%) quarters. The remaining five quarters did not have CDB transfers.
 - Deletions and transfers out were inaccurately reported on the C-15 based upon Department records.
 - Additions and transfers in were inaccurately reported on the C-15 based upon Department records.
 - The Department inappropriately entered deletions on the C-15 for one quarter as a negative balance.

As a result of the above errors, we noted the following likely differences between the amounts reported on the C-15s and those which should have been reported based on Department records.

STATE OF ILLINOIS
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Transaction	Fiscal Year 2017	Fiscal Year 2018	Total
<i>Additions</i>			
Additions Per Testing	\$ 272,857	\$ 352,775	\$ 625,632
Additions Per C-15	427,960	740,210	1,168,170
Difference	(155,103)	(387,435)	(542,538)
<i>Deletions</i>			
Deletions Per Testing	52,973	1,314,198	1,367,171
Deletions Per C-15	2,623,647	662,632	3,286,279
Difference	(2,570,674)	651,566	(1,919,108)
<i>*Net Transfers</i>			
Net Transfers Per Testing	4,330	(320,760)	(316,430)
Net Transfers Per C-15	(69,740)	(888,529)	(958,269)
Difference	\$ 74,070	\$ 567,769	\$ 641,839

* Net Transfers is comprised of transfers-in and transfers-out.

In addition, during our C-15 reasonableness testing, we noted eight quarters, totaling \$92,769, where additions per the Department's expenditures exceeded those on the C-15s. The Department could not explain the differences.

The Schedule of Changes in State Property (Schedule 7 of the compliance examination report) was not corrected by the auditors for the above errors.

The Statewide Accounting Management System (SAMS) (Procedure 29.20.10) provides instructions for preparing the C-15. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(4)) 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 accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

An error was noted in the asset transfer amounts to the Illinois Department of Innovation and Technology (DoIT) that were originally provided in the planning phase of the engagement and what appeared on the C-15 forms and corresponding support. The total on the initial asset transfer forms was \$323,761 for transfers to DoIT that took place February 2018. These transfers should have appeared on the Department's fiscal year 2018 third quarter C-15. Transfers-out to DoIT did not appear on the Department's C-15 forms until June 2018 in the amount of \$466,401. The Department was unable to provide an explanation for the \$142,640 difference. The Statewide Accounting Management System (SAMS) (Procedure 29.20.10) provides instructions for preparing the C-15.

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The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(4)) 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 accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

- The Department conducts an annual physical inventory of all equipment with an acquisition cost of \$500 or more or is susceptible to theft and annually reports its results to CMS. In its fiscal year 2017 Physical Inventory Report submitted to CMS, the Department reported it was unable to locate 267 items, totaling \$165,025. This represented 2% of the Department's total property. Two of these items were IT equipment items that the Department noted upon their assessment could potentially contain confidential information. In its fiscal year 2018 Physical Inventory Report submitted to CMS, the Department reported it was unable to locate 958 items, totaling \$534,672. This represented 10% of the Department's total property. Twenty-five of these items were IT equipment items that the Department noted upon their assessment could potentially contain confidential information. The Department noted it is in their policy to not store confidential information on devices that are not encrypted, but they cannot guarantee this practice was followed. The State Property Control Act (30 ILCS 605/4 and 6.02) requires the Department be accountable for the supervision, control and inventory of all items under its jurisdiction and control. In addition, the Department had the responsibility to ensure that confidential information is protected from disclosure and that provisions in the Personal Information Protection Act (815 ILCS 530) are followed.
- Exceptions noted during our testing of the Department's property records included:

No. of Items Tested	Exceptions		Description of Exceptions
	No.	%	
Central Office			
25	5	20%	Two shelves, a cabinet, a monitor, and a shredder were located, but not included in the property records. The value of the items could not be determined.
Anna Veterans' Home			
15	1	7%	A Roho Air Mattress box with a cost of \$2,220 was not properly tagged.
15	2	13%	A bed and chair were located but not included in the property records. The value of the items could not be determined.

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No. of Items Tested	Exceptions		Description of Exceptions
	No.	%	
LaSalle Veterans' Home			
15	1	7%	A Maxi-Move Lift was located but not included in the property records. The value of the item could not be determined.
Manteno Veterans' Home			
15	1	7%	The Department provided a surplus listing from DoIT dated December 27, 2017, which showed switches valued at \$763 being surplus. However, the switches had not been removed from the property records.
Prince Home			
10	1	10%	A wall mounted dry erase chart was located but not included in the property records. The value of the item could not be determined.
Quincy Veterans' Home			
15	2	13%	A portable DeWalt flashlight and a rotary self leveling laser level, totaling \$749, could not be located.
15	2	13%	A laser level and a jigsaw were located but not included in the property records. The value of the items could not be determined.
Field Services Offices			
18	5	28%	A Lexmark X644e printer, Luxor Wilson cabinet, a projector, a chair and a bookshelf were located but were not included in the property records. The value of the items could not be determined.
18	3	17%	A vacuum, Lenovo Thinkcenter computer, and a Dell laptop, totaling \$1,079, could not be located.

The State Property Control Act (30 ILCS 605/4) requires responsible officers of the State to maintain accountability for the supervision, control, and inventory of all property under their jurisdiction to ensure the proper accounting and safeguarding of State assets. The Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires the Department to retain detailed records including the organization unit charged with the custody of each item, as well as the location of each item of property and equipment controlled by the Department. The Illinois Administrative Code (44 Ill. Adm. Code 5010.210) requires all equipment, regardless of value, to be clearly marked to indicate it is the property of the State of Illinois.

STATE OF ILLINOIS
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- During our equipment voucher testing, we noted the following:
 - Six of 40 (15%) equipment vouchers tested, included equipment items that were not entered into the property records. The six vouchers included ten items, totaling \$57,504. Further, all ten items exceeded \$500 and were not reported to the Department of Central Management Services (CMS).
 - Two of 40 (5%) equipment vouchers tested, included equipment items greater than \$500, but were not reported on the "Items Over \$500 Annual Report" submitted to CMS for fiscal year 2017. The two vouchers included three items, totaling \$12,623. We confirmed that the assets were added to the "Items Over \$500 Annual Report" submitted to CMS for fiscal year 2018.
 - One of 40 (3%) equipment vouchers tested, included a total purchase price of \$707. However, the property was incorrectly valued on the property records at \$2,306, resulting in the property records being overvalued by \$1,599.

The State Property Control Act (30 ILCS 605/4) requires responsible officers of the State maintain accountability for the supervision, control, and inventory of all property under their jurisdiction to ensure the proper accounting and safeguarding of State assets. Further, the Illinois Administrative Code (44 Ill. Adm. Code 5010.400) requires the Department to update its property records within 30 days of acquisition, change, or deletion of equipment items. In addition, the Code (44 Ill. Adm. Code 5010.220) requires all equipment with an acquisition value of \$500 or more be reported to CMS by the holding agency.

- Two of 40 (5%) deletions tested, totaling \$2,546, were not removed timely from the property records. The assets were transferred or disposed of in August 2016, but were not removed from the property records until February 7, 2018. The State Property Control Act (30 ILCS 605/4) requires the Department be accountable for the supervision, control and inventory of all property under its jurisdiction and control. The Illinois Administrative Code (44 Ill. Adm. Code 5010.400) requires the Department to update its property records within 30 days of acquisition, change, or deletion of equipment items. The State Records Act (5 ILCS 160/9) states the head of each agency shall establish, and maintain an active, continuing program for the economical and efficient management of the records of the agency.

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- Four of 40 (10%) additions tested did not properly include freight charges in the asset values listed in the property records, resulting in the assets being under valued by \$367. Additionally, one of 40 (3%) items had an asset value in the property records that did not agree to the supporting documentation provided, resulting in the asset being over valued by \$35. The State Property Control Act (30 ILCS 605/4) requires the Department be accountable for the supervision, control and inventory of all property under its jurisdiction and control. The Statewide Accounting Management System (SAMS) (Procedure 03.30.20) states the basic cost of equipment usually is determined by all the costs necessary to acquire the asset and place it into service. Included in the cost of equipment in addition to the net invoice cost are freight charges.

In response to this previous finding, the Department stated they had initiated a new accounting system which combines the payment for, recording and reporting of State property into a single system. When fully implemented, the new system will allow all purchased property to be recorded and reported in a complete and accurate manner. Related to the exceptions noted in the current examination, Department management stated the exceptions were due to Department turnover as well as human error.

Failure to exercise adequate control over property and maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. Inaccurate property reporting reduces the reliability of statewide property information. (Finding Code No. 2018-001, 2016-001, 2014-001, 12-9, 10-9, Central Office – 8-15, Anna – 08-2, LaSalle – 08-2, Manteno – 08-2)

RECOMMENDATION

We recommend the Department strengthen internal controls over the recording and reporting of State property by strengthening their inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements.

DEPARTMENT RESPONSE

Agreed. Staff have become more familiar with how to process Illinois Accountability, Credibility, Transparency, and Standardization (ACTS) equipment transactions to reduce similar errors in the future. In addition, ACTS has enhanced the deletion process to help ensure deletions are recorded timely. Department personnel continue to reassess the physical inventory process to identify ways to reduce inventory discrepancies. As vouchers and deletions are recorded more accurately addition and deletions reports will be easier to produce from the system with fewer adjustments. As such, preparation of the quarterly C-15 will be easier and more accurately completed for timely submission.

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2018-002. FINDING (Employee performance evaluations not performed timely)

The Illinois Department of Veterans' Affairs (Department) did not complete annual employee performance evaluations timely.

During the examination period, the Department did not timely complete annual evaluations for 17 of 40 (43%) employees tested. Employee evaluations were completed from one to 80 days late.

The Department's Employee Handbook states performance evaluations take place annually and are to be discussed with employees, unless otherwise specified under Personnel Rules.

In response to this finding from the previous examination, Department management stated it would continue to emphasize the importance of timely performance evaluations at weekly meetings as well as distribute email reminders to the specific supervisors and managers who need to conduct a performance evaluation during the next month. Related to the failure to complete timely evaluations during the current examination period, Department management stated the deficiency was due to the failure of managers to submit their assigned evaluations in a timely manner caused by competing priorities. Additionally, Department management stated that 12 of the 17 late evaluations were due during a computer outage in July 2017, which lasted for approximately eight weeks. The Department had little to no capability to fill out electronic records or submit them during this time.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall and reinstatement decisions. (Finding Code No. 2018-002, 2016-002, 2014-007, 12-19, 10-22, Central Office - 08-9, LaSalle - 08-3, Manteno - 08-3)

RECOMMENDATION

We recommend the Department take appropriate measures to ensure performance evaluations are conducted timely.

DEPARTMENT RESPONSE

Agreed. The Department noted that 12 of the 17 late evaluations were due during the network outage and the Department had little to no capability to print or utilize any part of the network. The Department understands the importance of feedback which employee evaluations provide, however, network systems could not be accessed to provide blank forms, proper evaluation dates, supervisors access to employee files, or access to evaluation trackers. The Department chose to provide proper and correct feedback to the employees albeit knowing the evaluation would be delinquent.

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2018-003. FINDING (Inaccurate Agency Workforce Reports)

The Illinois Department of Veterans' Affairs (Department) did not file accurate Agency Workforce Reports (reports) with the Office of the Governor and the Office of the Secretary of State.

We tested both of the reports required to be filed during the examination period and noted the fiscal year 2016 report contained mathematical inaccuracies regarding percentages across multiple categories. After performing recalculations of the percentages provided by the Department, the amounts calculated did not match the amounts submitted on the report.

In addition, as reported in the prior year examination report as Finding Code No. 2016-003, it was noted the fiscal year 2015 report contained a clerical error and did not agree to back-up support for two categories. Documentation of the submission of the corrected 2015 report to the Governor's Office was not able to be provided by the Department as required by the Illinois State Auditing Act.

The State Employment Records Act (5 ILCS 410 et seq.) requires State agencies to collect, classify, maintain and report certain employment statistics for women, disabled and minority groups. Annual reports summarizing the information in a prescribed format are required to be filed by January 1 each year for the preceding fiscal year with the Office of the Secretary of State and with the Office of the Governor.

The Illinois State Auditing Act (30 ILCS 5/3-2.2) requires State agencies to file corrected reports with the Office of the Governor and the Office of the Secretary of State within 30 days after release of the audit.

In response to this previous finding, the Department stated it would submit revised reports to correct errors identified in it. The Department stated, before the next report was due, the Department would modify the computer reports to reduce the risk of errors and the Human Resource Manager had been assigned to independently review the report for completeness and accuracy. Related to the exceptions noted in the current examination, the Department stated the mathematical inaccuracies and failure to maintain evidence of submission were caused by continued human error.

Failure to provide complete and accurate reports to both the Office of the Secretary of State and the Office of the Governor prevents fulfillment of the purpose of the State Employment Records Act, which is to provide information to help guide efforts to achieve a more diversified State work force. (Finding Code No. 2018-003, 2016-003, 2014-009, 12-20, 10-16)

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RECOMMENDATION

We recommend the Department prepare accurate and complete reports and file them with the Office of the Secretary of State and the Office of the Governor. Further, we recommend the Department file corrected reports within 30 days of audit release as required by the Illinois State Auditing Act and maintain evidence of submission.

DEPARTMENT RESPONSE

Agreed. The Department has corrected this deficiency by submitting corrected copies to the Secretary of States Office and the Governor's Office. The Agency has also corrected the formulas within the spreadsheet utilized to automatically calculate the percentages. Utilizing the spreadsheets with correct formulas will reduce the risk of human error.

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2018-004. FINDING (Inaccurate reporting of emergency purchases)

The Illinois Department of Veterans' Affairs (Department) did not exercise adequate control over their reporting of emergency purchases.

The Department made emergency purchases, totaling \$1,208,869, during the examination period. During our testing of the Department's emergency purchases, we noted the following issues:

- For two of seven (29%) emergency purchases tested, totaling \$519,291, the Department did not publish timely information about the actual cost of the emergency purchase in the Illinois Procurement Bulletin as required by the Illinois Procurement Code (Code) (30 ILCS 500/20-30(b)). The actual cost of the purchases was published 69 to 269 calendar days after the contracts were established. Additionally, the Office of the Auditor General was not notified timely of the actual cost.
- For two of seven (29%) emergency purchases tested, with an estimated cost totaling \$210,145, the Illinois Procurement Bulletin (IPB) reference numbers listed on the online electronic bulletins did not correspond to the Emergency Purchase Affidavits submitted by the Department.

The Code (30 ILCS 500/20-30(b-c)) states that before the next appropriate volume of the Illinois Procurement Bulletin, the purchasing agency shall publish in the Illinois Procurement Bulletin, a copy of each written description and reasons and the total cost of the emergency procurement made during the previous month. When only an estimate of the total cost is known at the time of publication, the estimate shall be identified as an estimate and published. When the actual total cost is determined, it shall also be published in like manner before the 10th day of the next succeeding month.

The Code (30 ILCS 500/20-30(c)) also states a chief procurement officer making a procurement under this Section shall file statements with the Procurement Policy Board and the Auditor General within 10 calendar days after the procurement setting forth the amount expended, the name of the contractor involved, and the conditions and circumstances requiring the emergency procurement. When only an estimate of the cost is available within 10 calendar days after the procurement, the actual cost shall be reported immediately after it is determined.

The Fiscal Control and Internal Auditing Act (FCIAA) (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 accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

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In response to this finding from the previous examination, Department management stated it planned to timely publish emergency purchases on the Illinois Procurement Bulletin Board as required by the Code. Regarding the exceptions noted in the current examination, the Department stated the issues in the current year were caused by human error and being without an Agency Purchasing Officer for 15 months.

Failure to timely and accurately record emergency purchase information in the IPB and timely notify the Office of the Auditor General is noncompliance with the Code and FCIAA. Additionally, it inhibits State procurement transparency with the public. (Finding Code No. 2018-004, 2016-004, 2014-004)

RECOMMENDATION

We recommend the Department timely publish extensions, estimated costs, actual costs of emergency purchases, and accurate information in the Illinois Procurement Bulletin as required by the Code and FCIAA.

DEPARTMENT RESPONSE

Agreed. The Department will timely create and provide notifications of emergency purchases, for the State Procurement Officer to publish, as required by the code. The Department personnel will be reminded to be more careful to include the correct reference numbers on emergency purchase affidavits.

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2018-005. FINDING (Weaknesses in performing reconciliations)

The Illinois Department of Veterans' Affairs (Department) had weaknesses in performing reconciliations of expenditures, receipts, and cash to the Illinois Office of the Comptroller (Comptroller) records.

The Department went live with its new accounting system on October 1, 2016. Because of difficulties experienced during implementation, no reconciliations were performed between the Department's records and those of the Comptroller between October 1, 2016 and March 31, 2017. In addition, during the implementation process, the Department did not perform a reconciliation between their legacy accounting system and the new accounting system to ensure the complete and accurate transfer of balances for commodity inventory, equipment inventory, receipts, expenditures, appropriations general ledger accounting and GAAP balances.

In addition, we noted the following exceptions as a result of our testing of the reconciliations performed by the Department during the examination period:

- During our testing of the Department's monthly receipt reconciliations to the Comptroller's Monthly Receipt Report (SB04), we noted four of four (100%) reconciliations tested were not dated. Because of the lack of a documented date on the reconciliations, we could not determine if the reconciliations were completed in a timely manner.
- During our testing of the Department's monthly expenditure reconciliations to the Comptroller's Monthly Appropriation Status Report (SB01), we noted:
 - Eleven of 20 (55%) reconciliations tested were either not dated or not completed. For those reconciliations lacking a documented date, we could not determine if the reconciliations were completed in a timely manner.
 - In-transit vouchers on 15 of 242 (6%) appropriation codes tested on the reconciliations were not able to be traced to the three-subsequent month's SB01s. The Department was unable to provide an explanation for the vouchers being in transit for multiple months. The Comptroller was not timely notified of differences between the Department and Comptroller records.
- During our testing of monthly cash reconciliations of Department records to the Comptroller's Monthly Cash Report (SB05), we noted the June 2017 reconciliation for Fund 0775 did not have a date of when the reconciliation was performed, therefore, we could not determine if the reconciliation was completed in a timely manner.

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The Statewide Accounting Management System (SAMS) (Procedure 11.40.20, 25.40.20 and 09.40.30) requires the reconciliation of the SB01, SB04 and SB05 to be performed monthly and the Comptroller's Office to be notified of any irreconcilable differences so that the necessary corrective action can be taken to locate the differences and correct the accounting records. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(4)) 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 accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. The State Records Act (5 ILCS 160/8) requires the Department make and preserve records containing adequate and proper documentation of the functions and procedures of the Department.

In response to this finding from the previous engagement, the Department stated they had communicated the importance of dating reconciliations to document timeliness. In addition, the Department stated it was currently reviewing its reconciliation policies and procedures to ensure strong internal controls and accurate reflection of the new accounting system. Related to the exceptions noted in the current examination, the Department stated the exceptions were due to the implementation of the new accounting system as well as computer problems taking place during the engagement. Additionally, the reconciliations were not dated due to employee error. Finally, Department management stated during the time of the implementation of the new accounting system, there were many competing priorities in place, therefore, some functions of the Department did not get done.

Failure to document when reconciliations are performed does not provide sufficient evidence to determine compliance with SAMS requirements. Failure to timely and accurately perform reconciliations increases the risk that differences will go undetected and/or unresolved. Additionally, not ensuring a formal reconciliation between the Department's legacy and new systems was completed increases the risk of balances not being transferred correctly, resulting in inaccurate beginning balances. (Finding Code No. 2018-005, 2016-005)

RECOMMENDATION

We recommend the Department strengthen internal controls over expenditures, receipts, and cash reconciliations to ensure they are performed timely and accurately. Furthermore, we recommend the Department document the dates all monthly report reconciliations are completed and timely notify the Comptroller of any differences noted. Lastly, we recommend the Department perform reconciliations when system conversions occur.

DEPARTMENT RESPONSE

Agreed. The Department will establish procedures for electronically dating reconciliations. In addition, Fiscal personnel have become more familiar with the new Illinois Accountability, Credibility, Transparency, and Standardization (ACTS) system which has resulted in fewer input errors.

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2018-006. FINDING (Inaccurate Agency Fee Imposition Report)

The Illinois Department of Veterans' Affairs (Department) did not properly report fees collected on the Agency Fee Imposition Report (Report) for fiscal years 2016 and 2017. In addition, the Department submitted the 2017 Report 15 days late.

The Department overreported the receipts pertaining to fees for both the Quincy Veterans' Home Fund and the Manteno Veterans' Home Fund on its fiscal year 2017 Report because it improperly included hospice fees. The error resulted in the Department overstating the fees collected on the fiscal year 2017 Report by \$107,227. In addition, the annual Report is due on August 1st. The 2017 Report was filed on August 16, 2017, 15 days late.

The 2016 Report had instances where fees were recorded to the incorrect Revenue Source Code on the Report, but were reported correctly per the Department's cash receipts journals. This occurred in all funds with reported fees during fiscal year 2016. In addition, the 2016 Report improperly excluded \$41,680 of the Homeless Program Maintenance Fees for the Manteno Veterans' Home Fund.

The State Comptroller Act (15 ILCS 405/16.2) requires all State agencies that impose and collect fees prepare the Agency Fee Imposition Report Form. The Illinois State Auditing Act (30 ILCS 5/3-8.5) states the form shall list and describe the fees imposed by the Agency, the purpose of the fees, the amount of revenue generated by each fee, and the funds into which the fees are deposited.

The Statewide Accounting Management System (SAMS) (Procedure 33.16.20) requires that annual fee data be submitted to the Comptroller's Office by August 1 of each fiscal year. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(4)) 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 accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

In response to this finding from the previous examination, the Department stated it had communicated the importance of complete and accurate financial reporting to its personnel. Related to the exceptions noted in the current examination, Department management attributed the cause of the exceptions to human error and the computer outage that occurred during fiscal year 2018.

Inaccurate fee reporting reduces the reliability of Statewide fee information. (Finding Code No. 2018-006, 2016-006)

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RECOMMENDATION

We recommend the Department ensure the accuracy of the Agency Fee Imposition Report prior to its timely submission to the Illinois Office of the Comptroller.

DEPARTMENT RESPONSE

Agreed. Department personnel have modified the receipts ledgers to provide better instruction for the fee imposition reporting.

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2018-007. FINDING (Incorrect calculation of resident maintenance fees)

The Illinois Department of Veterans' Affairs (Department) did not calculate resident maintenance fees in accordance with the Illinois Administrative Code.

The Illinois Administrative Code (95 Ill. Adm. Code 108.130) states residents at the veterans' homes are entitled to an allowance of \$100/month for every \$1,000 paid in monthly maintenance fees. However, the Department gives each resident a \$200 allowance without considering the monthly maintenance fee charged. A Department memo, dated March 1, 2012, to the veterans' homes stated residents are currently allowed to keep the first \$100 of their monthly income before the maintenance fee is assessed. The memo further stated this will double to \$200, allowing them to keep more of their monthly income. The maintenance fee will continue to be calculated at 90% of a resident's remaining income, up to a new monthly maximum. This condition existed at all the Department's veterans' homes during the examination period.

In the previous examination, we noted the Department did not correctly calculate the maintenance fee to residents at the Anna Veterans' Home in accordance with the practice outlined in its memo. During the current examination, the Department recalculated the fiscal year 2016 maintenance fees and issued refunds or collected amounts due as needed. We examined evidence of this action during our testing. Our testing did not reveal similar exceptions during the current examination period.

As noted in the previous examination, the Department incorrectly updated the Illinois Administrative Code to not reflect procedures set forth in the Department Director's letter adopted in response to the Veterans Advisory Committee public hearings. In response to this finding from the previous examination, the Department stated it was updating the administrative rule for the Assessment of Maintenance Charges to be consistent with the procedures established in the Department Director's March 1, 2012 letter adopted based upon the Veterans' Advisory Committee's public hearings. The Department stated the update was being coordinated with other potential changes to this same administrative rule. Related to the ongoing noncompliance, the Department stated, due to competing priorities, the Administrative Code had not yet been updated to reflect the procedures set forth in the Director's letter.

Failure to follow the Code's calculation for maintenance fees and incorrectly calculating the fees may result in a loss of revenue to the State or overcharging residents at the veterans' homes. (Finding Code No. 2018-007, 2016-007)

RECOMMENDATION

We recommend the Department seek an update to the Illinois Administrative Code to reflect the methodology used to calculate maintenance fees.

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DEPARTMENT RESPONSE

Agreed. The Administrative Code (95 Ill. Admin. Code 108.130) cannot be followed as it contains a circular reference for the allowance determination formula. The Agency will submit corrected wording applicable to this Code reference.

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2018-008. FINDING (Inadequate controls over locally held funds)

The Illinois Department of Veterans' Affairs (Department) did not exercise adequate control over its locally held funds at its Illinois Veterans' Home at Anna and Manteno.

During our testing of the Report of Receipts and Disbursements for Locally Held Funds (C-17) reconciliations, we noted the following issues:

- During our recalculation of the quarterly C-17s for the Anna Veterans' Home, we noted Fund 1348, Anna Members' Trust Fund, had a discrepancy of \$2,078 beginning in the fourth quarter of fiscal year 2017. On July 19, 2017, the Anna Business Administrator corrected a typo on the fourth quarter fiscal year 2017 C-17 and then submitted the revised C-17 to the Central Office. However, the Central Office had revised the beginning balance on the C-17 before it was submitted to the Illinois Office of the Comptroller (Comptroller), but did not include the typo correction made by the Anna Business Administrator. As a result, the beginning balance utilized by the Anna Business Administrator for fiscal year 2018 differed from what was provided to the Comptroller by \$2,078. The difference existed throughout fiscal year 2018.
- During our recalculation of the C-17s for the Manteno Veterans' Home, we noted that Fund 1219, Manteno Benefit Fund, had a discrepancy of \$1,000 beginning in the 1st quarter of fiscal year 2018. The Financial and Operations Reporting Officer in the Central Office stated he had received review comments from the Comptroller, after submitting the C-17, and was told the beginning balance should be \$732,438 rather than \$731,438. He made the correction and submitted a revised C-17 to the Comptroller. However, the modification was not communicated to the Manteno Home Accountant. Meanwhile, the Manteno Home received an NSF check after the quarter ended, which justified the \$731,438 beginning balance. Due to the lack of communication between the Central Office and the Manteno Home, the difference of \$1,000 existed throughout fiscal year 2018.
- During our testing of authorized signors for locally held funds at the Manteno Veterans' Home, we noted the signature authority of two separate employees for the Manteno Clearing Account were revoked on March 9, 2017. The separation dates of these employees were September 30, 2016, and October 31, 2016. The signatures were revoked 160 and 129 days after their separation respectively. The employee who retired on October 31, 2016, had been the Chief Fiscal Officer for a portion of the examination period.

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The Statewide Accounting Management System (SAMS) (Procedure 33.13.20) requires each agency to submit accurate quarterly reports of receipts and disbursements of all locally held funds to the Comptroller's Office. The Fiscal Control and Internal Auditing Act (FCIAA) (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 accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Department management stated the failure to timely revoke signature authority occurred due to oversight with Home personnel. Additionally, the discrepancies noted within the C-17 reconciliations were due to a lack of communication between Home and Central Office personnel.

Locally held funds are not subject to appropriation and are held outside the State Treasury. The Comptroller's Locally Held Fund Reporting System's major function is to capture cash receipt and disbursement information on a quarterly basis to provide a more comprehensive fiscal base for the State of Illinois. Failure to provide accurate quarterly reports prevents the Comptroller from maintaining accurate year-to-date receipts and disbursements of locally held funds. Failure to timely revoke signature authority increases the risk of unauthorized access and use. (Finding Code No. 2018-008)

RECOMMENDATION

We recommend the Department strengthen controls over locally held fund reporting.

DEPARTMENT RESPONSE

Agreed. Central Office and Home personnel will work more closely to ensure C-17 reports submitted to the Illinois Office of the Comptroller agree with agency records. Department has revoked signature authority for subsequent separated employees in a timely manner.

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2018-009. FINDING (Untimely approval of vouchers)

The Illinois Department of Veterans' Affairs (Department) did not approve vouchers in a timely manner.

During our testing, we noted 26 of 60 (43%) vouchers, totaling \$28,057, were not approved within 30 days after the physical receipt of the bill. The bills were approved one to 262 days late.

The Illinois Administrative Code (74 Ill. Adm. Code 900.70 b)) states that an agency shall approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt.

Department management stated the exceptions noted were due largely in part to the computer problems that were encountered during and after the virus that took place in July 2017, which effectively paralyzed the network and computers due to continuous replication. Department management stated the Department employees were unable to access the accounting system from their desktops for several months, which resulted in late approvals. Competing priorities during the ERP conversion also contributed to the untimely approvals.

Failure to promptly approve vouchers may result in the late payment of bills and could cause the State to pay interest penalties. (Finding Code No. 2018-009)

RECOMMENDATION

We recommend the Department strengthen controls to ensure the timely approval of vouchers.

DEPARTMENT RESPONSE

Agreed. Department will process future voucher payments in a timely manner.

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2018-010. FINDING (Inaccurate compilation and reporting of field service office activities and information)

The Illinois Department of Veterans' Affairs (Department) inaccurately compiled and reported activities and information of its field service offices staffed by Veteran Service Officers (VSOs).

The Department operates field service offices in counties throughout the State on either a full-time or itinerant basis to provide veterans with local access to information regarding federal and State benefits associated with their military service. VSOs are employed in these locations to answer questions, help with filing paperwork, address telephone calls, and issue hunting/fishing and camping licenses. The VSOs prepare daily, weekly, and monthly records of their numbers of veterans served in-person, requests handled by U.S. mail, and telephone call questions received, in addition to a categorized breakdown of the types of services and information provided.

We noted the following during our examination:

- We reviewed four consecutive weekly itineraries for the four field office supervisors. We noted four of 16 (25%) instances where the supervisor sign-in records do not match the itineraries as follows:
 - The sign-in sheet date did not match the date noted on the corresponding itinerary on one occurrence (25%) at the Central Field Office.
 - The sign-in sheet contained two instances (50%) where the visits to a field office were not noted on the corresponding itineraries at the Metro Field Office.
 - The sign-in sheet date did not match the date noted on the corresponding itinerary on one occurrence (25%) at the Southern Field Office.
- We visited three field offices. At each field office, we tested two monthly statistical reports. We noted four of the six (67%) reports tested were not signed and submitted on time.
- We called five of the 36 itinerant field offices to ensure their hours of operation were consistent with the operating hours posted online. In three of five (60%) instances, we were unable to determine whether the field offices were open during their stated hours as posted online. Specifically, we noted the following:
 - We called one office and discovered the phone number posted online is no longer in service.

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- We called one office on three occasions. We left a message and did not receive a call back.
- We called one office on three occasions. We were unable to leave a message because an answering service had not been established for the office.

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 accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

The Department of Veterans Affairs Act (20 ILCS 2805/3) requires the Department to establish such field offices as it finds necessary to enable it to perform its duties.

Department management stated the exceptions noted were due to field service officer and field service officer supervisor oversight. Additionally, the field offices lack of response to auditor phone calls was due to competing priorities.

Failure to accurately compile and retain data regarding services provided by VSOs at field offices results in inaccurate data for use by the Department upon which to base decisions. The failure to effectively operate field offices at their stated times represents statutory noncompliance. (Finding Code No. 2018-010)

RECOMMENDATION

We recommend the Department strengthen controls over and enforce procedures to ensure VSOs and their supervisors maintain accurate and complete records. Furthermore, we recommend the Department ensure supervisors adequately supervise the field offices for which they are responsible.

DEPARTMENT RESPONSE

Agreed. Procedures will be developed and random checks will be completed to ensure compliance by the Field Supervisors to ensure accuracy in reporting itineraries and office visits. Statistical reports will be validated and signed by Supervisors and submitted. Telephone number listing will be checked on a quarterly basis. As VOIP lines are installed, the Agency will further look towards a central hub for responding to telephone calls.

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2018-011. FINDING (Noncompliance with the Fiscal Control and Internal Auditing Act)

The Illinois Department of Veterans' Affairs (Department) did not comply with the Fiscal Control and Internal Auditing Act (FCIAA) (30 ILCS 10/2001).

We noted the following during our examination:

- The Department's Office of Internal Audit (OIA) conducted a total of four internal audits during fiscal years 2017 and 2018, three in fiscal year 2017 and one in fiscal year 2018. Within these audits, only nine of the eleven FCIAA major event/transaction cycles were addressed to ensure major systems are reviewed at least once every two years. OIA failed to audit grant administration and purchasing.
- The one internal audit report tested did not contain a stated opinion and did not contain the signature of the internal auditor who conducted the audit. Additionally, the workpapers provided for the audit tested did not include evidence of audit planning or source documentation, therefore, the audit did not appear to be conducted in accordance with *International Standards for the Professional Practice of Internal Auditing (IIA Standards)*.

The FCIAA (30 ILCS 10/2003) requires the chief executive officer of each designated State agency ensure the internal auditing program includes audits of major systems of internal and administrative control conducted on a periodic basis so that all major systems are reviewed at least once every two years. The Statewide Accounting Management System (SAMS) (Procedure 02.50.20) identifies the eleven FCIAA major event/transaction cycles as agency organization and management, administrative support services, budgeting, accounting and reporting, purchasing, expenditure control, personnel and payroll, property, equipment, and inventories, revenues, receivables and cash, petty cash and local funds, grant administration and electronic data processing. The *Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (IIA Standards)* require OIA to develop risk-based plans to determine the priorities of the internal audit activities. IIA Standards require OIA to document information to support the engagement results and conclusions. IIA Standards also require OIA to communicate the results of the engagements, including, where appropriate, an internal auditors' opinion.

Department management stated that the exceptions noted were due to competing priorities, as well as a computer virus that occurred in July 2017.

Incomplete auditing of all major internal control systems increases the risk that significant internal control weaknesses will exist, and errors and irregularities may go undetected. Failure to maintain documentation and include all report requirements is noncompliance with professional standards. (Finding Code No. 2018-011)

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RECOMMENDATION

We recommend the Department ensure audits of all major systems of internal accounting and administrative control are conducted at least once every two years as required by FCIAA. In addition, we recommend the Department ensure its internal audit activities comply with *IIA Standards*.

DEPARTMENT RESPONSE

Agreed. The Department of Veterans' Affairs continues to establish processes that will help ensure adherence to all of the requirements of the Fiscal Control and Internal Auditing Act and the International Standards for the Professional Practice of Internal auditing.

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2018-012. FINDING (Computer security weaknesses)

The Illinois Department of Veterans' Affairs (Department) had not established adequate security controls over its computing environment.

The Department maintains a myriad of systems and applications which contain personal and medical information. As such, security over these systems and applications is crucial.

In order to determine the Department's controls over access provisioning, we requested the Department's policies and procedures. However, the Department had not developed formal policies and procedures.

In order to obtain access to the Department's applications, a System Maintenance User Request Form is to be completed and approved by the user's supervisor. We selected a sample of 16 users and requested the System Maintenance User Request Form in order to determine if the user's access was approved by their supervisor. The Department was unable to provide the System Maintenance User Request Form for four (25%) users. Additionally, of the 12 System Maintenance User Request Forms provided, six (50%) did not have documentation of supervisory approval for access.

We also selected a sample of 15 users who had terminated employment to determine if they continued to have access to the Department's applications, noting:

- One (7%) user's access was not deactivated in a timely manner,
- For five (33%) users, the Department provided the request for access to be removed, however, the removal was not completed, and
- The Department did not provide any information for three (20%) users.

In addition, we selected a sample of 40 users with access to the Department's applications to determine if their access was appropriate. Our testing noted three (8%) users no longer required access. We also noted the Department had not conducted a review of their mainframe security software ID during the examination period. Finally, it was noted the Department did not have guidelines for the disposal of confidential information.

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 accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Generally accepted information systems technology guidance endorses the development of computer security policies that adequately address the current technological environment and well-designed and well-managed controls to protect computer systems and data.

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Department management indicated oversight and competing priorities were responsible for the exceptions.

The lack of policies regarding the disposal of confidential information and user access, along with inadequate user controls increases the risk of unauthorized access to the Department's applications and data. (Finding Code No. 2018-012)

RECOMMENDATION

We recommend the Department develop and implement policies and procedures regarding the proper disposal of confidential information and access provisioning. Additionally, we recommend the Department ensure only authorized users have access to the applications and that reviews of access rights to all systems are conducted at least annually.

DEPARTMENT RESPONSE

Agreed. The Department will develop formal policies around access provisioning and disposal of confidential information.

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2018-013. FINDING (Lack of disaster contingency planning or testing to ensure recovery of applications and data)

The Illinois Department of Veterans' Affairs (Department) had not provided adequate planning for the recovery of its applications and data.

In May 2018, the Department and the Department of Innovation & Technology (DoIT) collaborated to establish the Department's Information Systems Resiliency Plan. We found the Plan did not fully encompass disaster recovery requirements and did not:

- Include steps to recover applications and system;
- Clearly identify key recovery personnel and responsibilities;
- Discuss an alternate recovery location; and
- Include a listing of infrastructure hardware and software necessary for recovery.

Additionally, we noted the Resiliency Plan documented 24 critical systems; however, it stated 20 of the critical systems did not have recovery plans. We also noted, the Department had not conducted comprehensive disaster recovery testing during the examination period.

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 accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Information technology guidance (including the National Institute of Standards and Technology and Government Accountability Office) endorses the formal development and testing of disaster recovery plans. Tests of disaster recovery plans (and the associated documentation of the test results) verify that the plan, procedures, and resources provide the capability to recover critical systems within the required timeframe.

Department management stated there were several contributing causes to the continuing condition, which include personnel turnover in the Chief Information Officer position and other key positions that manage Department policy.

Failure to adequately plan for the recovery of applications and data leaves the Department exposed to the possibility of major disruptions of services. (Finding Code No. 2018-013)

RECOMMENDATION

We recommend the Department work with DoIT and update their Resiliency Plan to address all requirements for recovery efforts for all applications and data. Additionally, the Department should conduct recovery testing, at least annually, to ensure the recoverability of their applications and data.

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DEPARTMENT RESPONSE

Agreed. The Agency continues to meet with DoIT staff to complete Information System Contingency Plans for all applications.

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2018-014. FINDING (Lack of due diligence over ERP transition)

The Illinois Department of Veterans' Affairs (Department) lacked due diligence over the transition to the Enterprise Resource Planning program (ERP).

In October 2016, the Department implemented the State's ERP as its business process management system for the tracking of assets, contracts, obligations, vouchers, and commodities inventory.

As part of our examination process, we requested the Department's documentation related to their planning efforts with the Department of Innovation & Technology; however, the Department was unable to provide such documentation.

As part of the Department's transition to the ERP, they converted data from the legacy systems. In order to determine if the data had converted correctly, we requested the Department's documentation and reconciliations; however, the Department was unable to provide the requested documentation. In fact, according to the Chief Fiscal Officer, the Department had determined at fiscal year-end 1,304 assets had not converted from their legacy system to the ERP.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. In addition, generally accepted information technology guidance endorses a process to ensure system development and data conversion activities are controlled, verified, and documented.

Department management indicated that during the time of the implementation of the new accounting system, there were many competing priorities in place; therefore, some functions of the Department did not get done.

The Department's lack of due diligence resulted in a lack of assurance over the accuracy of data conversions evidenced by over 1,300 assets not being converted properly. (Finding Code No. 2018-014)

RECOMMENDATION

We recommend the Department establish adequate controls over reconciliation and conversion of data converted during system development projects, such as the ERP.

DEPARTMENT RESPONSE

Agreed. Documentation was reviewed, and discrepancies were noted. Noted discrepancies have been addressed.

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2018-015. FINDING (Lack of adequate controls over the review of internal controls over external service providers)

The Illinois Department of Veterans' Affairs (Department) did not obtain or conduct timely independent internal control reviews over all its external service providers.

The Department utilizes three services providers for medical billing, hosting of medical records, and application hosting. Some of the information controlled by the service providers would be classified as personally identifiable information and protected health information.

During testing, we noted the Department had not:

- Obtained System Organization Control (SOC) Reports for two of the providers for the complete examination period.
- Completed a review of the one SOC Report received.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Department's operations.

Additionally, it was noted the contracts between the Department and the service providers did not contain a requirement for an independent review to be completed.

The Department is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction. This responsibility is not limited due to the process being outsourced.

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 accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. Strong management controls, due diligence and fiduciary responsibility require adequate supervision of external service providers to provide assurance that Illinois Veteran Home residents' medical and personal information is properly recorded and accounted for.

The Department indicated the vacancy of the Chief Information Officer position and other key positions that manage Department policy have impeded progress to complete this task.

Without having obtained and reviewed a SOC Report or another form of independent internal control review, the Department does not have assurance the external service provider's internal controls are adequate. (Finding Code 2018-015)

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RECOMMENDATION

We recommend the Department identify all third party service providers and determine and document if a review of controls is required. If required, the Department should:

- Obtain SOC reports or (perform independent reviews) of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the Department's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Office, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

DEPARTMENT RESPONSE

Agreed. The Agency will work with DoIT and implement procedures to perform SOC reviews of 3rd party service providers in a timely manner.

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PRIOR FINDINGS NOT REPEATED

A. **FINDING** (Inaccurate reporting of federal awards)

During the prior examination, auditors noted the Illinois Department of Veterans' Affairs' (Department) year-end federal expenditure reporting process to the Illinois Office of the Comptroller contained inaccuracies.

During the current examination, auditors' testing of federal awards noted no significant inaccuracies. (Finding Code No. 2016-008)

B. **FINDING** (Improper use of Members' Trust Fund at the Quincy Veterans' Home)

During the prior examination, auditors noted the Department borrowed and repaid money from the Members' Trust Fund to use for the Benefit's Trust Fund. The Department did not have authority to borrow funds held in the Members' Trust Fund.

During the current examination, auditors noted the Department had ceased this activity. (Finding Code No. 2016-009)

C. **FINDING** (Noncompliance with the Veterans' and Military Discount Program Act)

During the prior examination, auditors noted the Department failed to establish and administer a Veterans' and Military Discount Program (Program) as required by the Act.

During the current examination, auditors confirmed the Department has implemented the Program and administers it through its website. (Finding Code No. 2016-010)

D. **FINDING** (Noncompliance with Employment and Economic Opportunity for Persons with Disabilities Task Force)

During the prior examination, auditors noted the Department did not participate in all of the Employment and Economic Opportunity for Persons with Disabilities Task Force (Task Force) meetings as required by the Employment and Economic Opportunity for Persons with Disabilities Task Force Act (20 ILCS 4095/10 thru 4095/20) nor did the Task Force submit its measurable goals for fiscal year 2017 as required by the Illinois Employment First Act (20 ILCS 40/20).

During the current examination, auditors noted the Department made significant progress in participating in the Task Force attending six (86%) of seven meetings. (Finding Code No. 2016-011)

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- E. **FINDING** (Noncompliance with statutory council, committee, and commission requirements)

During the prior examination, auditors noted the Department did not comply with council, committee, and commission requirements mandated by State law. Specifically, auditors noted the Department did not comply with requirements related to the Illinois Act on Aging (20 ILCS 105), which requires a non-voting State agency member on the Long-Term Care Council from the Department; the Illinois Human Rights Act (775 ILCS 5/2-106), which requires the Department's Director or designee to attend meetings of the Interagency Committee on Employees with Disabilities; and the Illinois Holocaust and Genocide Commission Act (20 ILCS 5010), which requires the Director or designee to participate in the quarterly meetings of the Illinois Holocaust and Genocide Commission as an ex-officio member of the Commission.

During the current examination, auditors' testing noted this noncompliance was remediated by the Department. (Finding Code No. 2016-012)

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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 2018
Fiscal Year 2017
 - Comparative Schedule of Net Appropriations, Expenditures and
Lapsed Balances – By Fund
 - Comparative Schedule of Net Appropriations, Expenditures and
Lapsed Balances – By Object
 - Schedule of Receipts, Disbursements and Fund Balance
(Cash Basis) – Locally-Held Funds
For the Year Ended June 30, 2018
For the Year Ended June 30, 2017
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts and Reconciliation of Cash
Receipts to Deposits Remitted to the State Comptroller

- Analysis of Operations (Not Examined):
 - Agency Functions and Planning (Not Examined)
 - Analysis of Significant Variations in Expenditures (Not Examined)
 - Analysis of Significant Variations in Receipts (Not Examined)
 - Analysis of Significant Lapse Period Spending (Not Examined)
 - Analysis of Accounts Receivable (Not Examined)
June 30, 2018
June 30, 2017
 - Budget Impasse Disclosures (Not Examined)
 - Alternative Financing in Lieu of Appropriations and Programs to
Address Untimely Payments to Vendors (Not Examined)
 - Interest Costs on Invoices (Not Examined)
 - Average Number of Employees (Not Examined)
 - Annual Statistics (Not Examined)
 - Emergency Purchases (Not Examined)
 - Memorandums of Understanding (Not Examined)
 - Service Efforts and Accomplishments (Not Examined)
 - Schedule of Indirect Cost Reimbursements (Not Examined)
 - Construction of Chicago Veterans' Home (Not Examined)

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The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2018 and June 30, 2017 accompanying supplementary information in Schedules 1 through 8. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2018

Schedule 1

For the Fifteen Months Ended September 30, 2018

Public Act 100-0021	Appropriations (Net of Transfers)	Expenditures Through June 30, 2018	Lapse Period Expenditures July 1, 2018 to September 30, 2018	Total Expenditures	Balances Lapsed
Appropriated Funds					
General Revenue Fund - 0001	\$ 67,671,800	\$ 61,201,545	\$ 1,305,460	\$ 62,507,005	\$ 5,164,795
Illinois Veterans' Assistance Fund - 0236	4,000,000	425,494	244,400	669,894	3,330,106
LaSalle Veterans' Home Fund - 0272	16,638,100	12,113,143	1,508,675	13,621,818	3,016,282
Anna Veterans' Home Fund - 0273	6,214,900	5,116,361	522,713	5,639,074	575,826
Illinois Affordable Housing Trust Fund - 0286	223,000	198,000	15,000	213,000	10,000
GI Education Fund - 0447	1,482,800	969,176	25,692	994,868	487,932
Quincy Veterans' Home Fund - 0619	31,478,200	19,635,531	3,816,503	23,452,034	8,026,166
Roadside Memorial Fund - 0697	425,000	199,815	38,800	238,615	186,385
Illinois Military Family Relief Fund - 0725	250,000	-	6,000	6,000	244,000
Veterans' Affairs Federal Projects Fund - 0897	220,500	-	-	-	220,500
Manteno Veterans' Home Fund - 0980	18,410,100	9,769,515	2,761,216	12,530,731	5,879,369
Total Appropriated Funds	\$ 147,014,400	\$ 109,628,580	\$ 10,244,459	\$ 119,873,039	\$ 27,141,361
Non-Appropriated Funds					
Veterans' Affairs State Project Fund - 0501		\$ 21,512	\$ 2,000	\$ 23,512	
Veterans' Affairs Library Grant Fund - 0775		30,364	20,009	50,373	
Total Non-Appropriated Funds		\$ 51,876	\$ 22,009	\$ 73,885	
Grand Total All Funds		\$ 109,680,456	\$ 10,266,468	\$ 119,946,924	

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of September 30, 2018, and have been reconciled to Department records.

Note 2: The expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

Note 3: Lapse period expenditures do not include interest payments approved for payment by the Department and submitted to the state Comptroller after September 30, 2018.

Note 4: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Department to pay for all costs incurred prior to July 1, 2018, using either its fiscal year 2017 or fiscal year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report includes information from Department management about the number of invoices and the total dollar amount of invoices from fiscal year 2016 and fiscal year 2017 held by the Department to be submitted against either its fiscal year 2017 or fiscal year 2018 appropriation.

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DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2017

Schedule 2

For the Fifteen Months Ended September 30, 2017

<u>Public Act 99-0524, 100-0021 and Court-Ordered Expenditures</u>	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2017	Lapse Period Expenditures July 1, 2017 to September 30, 2017	Total Expenditures	Balances Lapsed
Appropriated Funds					
General Revenue Fund - 0001	\$ 67,260,662	\$ 64,028,038	\$ 862,152	\$ 64,890,190	\$ 2,370,472
Illinois Veterans' Assistance Fund - 0236	4,000,000	744,543	239,952	984,495	3,015,505
LaSalle Veterans' Home Fund - 0272	12,460,100	7,345,081	1,920,790	9,265,871	3,194,229
Anna Veterans' Home Fund - 0273	4,584,200	1,551,392	500,088	2,051,480	2,532,720
Illinois Affordable Housing Trust Fund - 0286	223,000	165,000	38,289	203,289	19,711
GI Education Fund - 0447	1,390,700	977,228	43,300	1,020,528	370,172
Quincy Veterans' Home Fund - 0619	20,791,800	13,248,210	3,244,469	16,492,679	4,299,121
Budget Stabilization Fund - 0686	1,000,000	758,258	152,224	910,482	89,518
Roadside Memorial Fund - 0697	425,000	273,980	24,175	298,155	126,845
Illinois Military Family Relief Fund - 0725	250,000	-	3,000	3,000	247,000
Veterans' Affairs Federal Projects Fund - 0897	345,500	61,033	-	61,033	284,467
Manteno Veterans' Home Fund - 0980	21,827,200	14,441,995	2,961,404	17,403,399	4,423,801
Total Appropriated Funds	\$ 134,558,162	\$ 103,594,758	\$ 9,989,843	\$ 113,584,601	\$ 20,973,561
Non-Appropriated Funds					
Veterans' Affairs Library Grant Fund - 0775		\$ 19,096	\$ 30,904	\$ 50,000	
Total Non-Appropriated Funds		\$ 19,096	\$ 30,904	\$ 50,000	
Grand Total All Funds		\$ 103,613,854	\$ 10,020,747	\$ 113,634,601	

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DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of September 30, 2017, and have been reconciled to Department records.

Note 2: The expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

Note 3: The Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to “draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay.” As Public Act 100-0021 states appropriation authority granted by the General Assembly does not supersede any court order directing the expenditure of funds and states such payments are added to the appropriations granted by the General Assembly, the Department was able to submit vouchers to pay the employees in full from Fund 001 without a maximum expenditure limit for personal service costs during fiscal year 2017.

Note 4: Public Act 99-0524 authorized the Department to pay fiscal year 2016 costs using its fiscal year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department submitted against its fiscal year 2017 appropriation.

Note 5: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Department to pay for all costs incurred prior to July 1, 2018, using either its fiscal year 2017 or fiscal year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report includes information from Department management about the number of invoices and the total dollar amount of invoices from fiscal year 2016 and fiscal year 2017 held by the Department to be submitted against either its fiscal year 2017 or fiscal year 2018 appropriation.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY FUND**

Schedule 3

For the Fiscal Years Ended June 30, 2018, 2017 and 2016

	Fiscal Year		
	2018	2017	2016
			P.A. 099-0409
		P.A. 099-0524	P.A. 099-0491
		P.A. 100-0021	P.A. 099-0524
		Court-Ordered	Court-Ordered
	P.A. 100-0021	Expenditures	Expenditures
APPROPRIATED FUNDS			
Appropriations (net of transfers)	\$ 147,014,400	\$ 134,558,162	\$ 147,054,959
Expenditures			
General Revenue Fund - 0001	62,507,005	64,890,190	58,166,791
Illinois Veterans' Assistance Fund - 0236	669,894	984,495	982,096
LaSalle Veterans' Home Fund - 0272	13,621,818	9,265,871	11,506,395
Anna Veterans' Home Fund - 0273	5,639,074	2,051,480	3,425,303
Illinois Affordable Housing Trust Fund - 0286	213,000	203,289	210,167
GI Education Fund - 0447	994,868	1,020,528	987,367
Quincy Veterans' Home Fund - 0619	23,452,034	16,492,679	23,766,103
Budget Stabilization Fund - 0686	-	910,482	-
Roadside Memorial Fund - 0697	238,615	298,155	421,073
Illinois Military Family Relief Fund - 0725	6,000	3,000	-
Veterans' Affairs Federal Projects Fund - 0897	-	61,033	197,087
Manteno Veterans' Home Fund - 0980	12,530,731	17,403,399	18,849,982
	<u>\$ 119,873,039</u>	<u>\$ 113,584,601</u>	<u>\$ 118,512,364</u>
Total lapsed balances	<u>\$ 27,141,361</u>	<u>\$ 20,973,561</u>	<u>\$ 28,542,595</u>
NON-APPROPRIATED FUNDS			
Expenditures			
Veterans' Affairs State Projects Fund - 0501	\$ 23,512	\$ -	\$ 8,920
Veterans' Affairs Library Grant Fund - 0775	50,373	50,000	45,269
Total expenditures - non-appropriated funds	<u>\$ 73,885</u>	<u>\$ 50,000</u>	<u>\$ 54,189</u>
Total expenditures all funds	<u>\$ 119,946,924</u>	<u>\$ 113,634,601</u>	<u>\$ 118,566,553</u>

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records, and have been reconciled to Department records.

Note 2: The expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY FUND**

Schedule 3

For the Fiscal Years Ended June 30, 2018, 2017 and 2016

Note 3: The Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to “draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay.” As the Department never received enacted personal services appropriations for Fund 0001, the Department was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs during fiscal year 2016. Further, as Public Act 100-0021 states appropriation authority granted by the General Assembly does not supersede any court-order directing the expenditure of funds and states such payments are added to the appropriations granted by the General Assembly, the Department was able to submit vouchers to pay its employees in full from Fund 0001 without a maximum expenditure limit for personal service costs during fiscal year 2017.

Note 4: During fiscal year 2016, the Department operated without enacted appropriations until Public Act 99-0409, Public Act 99-0491, and Public Act 99-0524 were signed into law on August 20, 2015, December 9, 2015 and June 30, 2016, respectively. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to “draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay.” As such, the Department's court-ordered payroll payments were merged into the enacted appropriation for Fund 0272, Fund 0273, Fund 0447, Fund 0619, Fund 0897, and Fund 0980. Further, the Department incurred non-payroll obligations within Fund 0236, Fund 0272, Fund 0273, Fund 0286, Fund 0447, Fund 0619, Fund 0697, Fund 0897, and Fund 0980, which the Department was unable to pay until the passage of Public Act 99-0409, Public Act 99-0491, and Public Act 99-0524.

Note 5: Public Act 99-0524 authorizes the Department to pay fiscal year 2016 costs using its fiscal year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department to be submitted against its fiscal year 2017 appropriation.

Note 6: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Department to pay for all costs incurred prior to July 1, 2018, using either its fiscal year 2017 or fiscal year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report includes information from Department management about the number of invoices and the total dollar amount of invoices from fiscal year 2016 and fiscal year 2017 held by the Department to be submitted against either its fiscal year 2017 or fiscal year 2018 appropriation.

Note 7: Lapse period expenditures do not include interest payments approved for payment by the Department and submitted to the State Comptroller after September 30, 2018.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**

Schedule 4

For the Fiscal Years Ended June 30, 2018, 2017 and 2016

	Fiscal Year		
	2018	2017	2016
		P.A. 099-0524	P.A. 099-0409
		P.A. 100-0021	P.A. 099-0491
		Court-Ordered	P.A. 099-0524
	P.A. 100-0021	Court-Ordered	Court-Ordered
		Expenditures	Expenditures
APPROPRIATED FUNDS:			
<u>General Revenue Fund - 0001</u>			
<u>Central Office (Division 01)</u>			
Appropriations (net of transfers)	\$ 12,220,500	\$ 67,260,662	\$ 9,431,100
Expenditures			
Personal services	2,703,873	-	-
State contribution to Social Security/Medicare	199,047	-	-
Contractual services	1,241,296	-	-
Travel	25,277	-	-
Commodities	6,181	-	-
Printing	7,060	-	-
Equipment	5,467	-	-
Electronic data processing	4,448,311	-	-
Telecommunications services	1,053,951	-	-
Operation of automotive equipment	9,456	-	-
Grants paid to Veterans and their dependents	194,778	-	-
Lump Sum Payments	279,821	282,882	-
Awards and Grants	-	152,200	-
Court Ordered Expenditures	-	8,053,911	7,985,818
Total expenditures	\$ 10,174,518	\$ 8,488,993	\$ 7,985,818
Lapsed balances	\$ 2,045,982	\$ 58,771,669	\$ 1,445,282
<i>Veterans' Field Office (Division 15)</i>			
Appropriations (net of transfers)	\$ 5,716,000	\$ -	\$ -
Expenditures			
Personal services	3,966,585	-	-
State contribution to Social Security/Medicare	293,332	-	-
Contractual services	505,785	-	-
Travel	69,720	-	-
Commodities	5,352	-	-
Printing	7,799	-	-
Equipment	3,175	-	-
Telecommunications services	423,574	-	-
Operation of automotive equipment	19,666	-	-
Total expenditures	\$ 5,294,988	\$ -	\$ -
Lapsed balances	\$ 421,012	\$ -	\$ -

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For the Fiscal Years Ended June 30, 2018, 2017 and 2016

	Fiscal Year		
	2018	2017	2016
		P.A. 099-0524 P.A. 100-0021 Court-Ordered Expenditures	P.A. 099-0409 P.A. 099-0491 P.A. 099-0524 Court-Ordered Expenditures
	P.A. 100-0021		
<i>Anna Veterans' Home (Division 18)</i>			
Appropriations (net of transfers)	\$ 1,530,500	\$ -	\$ -
Expenditures			
Personal services	1,381,102	-	-
State contribution to Social Security/Medicare	101,647	-	-
Total expenditures	\$ 1,482,749	\$ -	\$ -
Lapsed balances	\$ 47,751	\$ -	\$ -
<i>Quincy Veterans' Home (Division 20)</i>			
Appropriations (net of transfers)	\$ 21,769,500	\$ -	\$ -
Expenditures			
Personal services	19,345,533	-	-
State contribution to Social Security/Medicare	1,404,199	-	-
Total expenditures	\$ 20,749,732	\$ -	\$ -
Lapsed balances	\$ 1,019,768	\$ -	\$ -
<i>LaSalle Veterans' Home (Division 23)</i>			
Appropriations (net of transfers)	\$ 6,729,000	\$ -	\$ -
Expenditures			
Personal services	5,731,370	-	-
State contribution to Social Security/Medicare	421,707	-	-
Total expenditures	\$ 6,153,077	\$ -	\$ -
Lapsed balances	\$ 575,923	\$ -	\$ -
<i>Manteno Veterans' Home (Division 25)</i>			
Appropriations (net of transfers)	\$ 19,706,300	\$ -	\$ -
Expenditures			
Personal services	16,841,853	-	-
State contribution to Social Security/Medicare	1,224,424	-	-
Lump Sums and Other Purposes	585,664	-	-
Total expenditures	\$ 18,651,941	\$ -	\$ -
Lapsed balances	\$ 1,054,359	\$ -	\$ -

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For the Fiscal Years Ended June 30, 2018, 2017 and 2016

	Fiscal Year		
	2018	2017	2016
		P.A. 099-0524 P.A. 100-0021 Court-Ordered Expenditures	P.A. 099-0409 P.A. 099-0491 P.A. 099-0524 Court-Ordered Expenditures
	P.A. 100-0021		
<i>State Veterans' Homes (Division 40)</i>			
Appropriations (net of transfers)	\$ -	\$ 56,417,762	\$ 50,318,359
Expenditures			
Court ordered operational expenses	-	56,401,197	50,180,973
Total expenditures	\$ -	\$ 56,401,197	\$ 50,180,973
Lapsed balances	\$ -	\$ 16,565	\$ 137,386
<u>Illinois Veterans' Assistance Fund - 0236</u>			
<i>Central Office (Division 01)</i>			
Appropriations (net of transfers)	\$ 4,000,000	\$ 4,000,000	\$ 8,300,000
Expenditures			
Awards and grants, lump sums and other purposes	669,894	984,495	982,096
Total expenditures	\$ 669,894	\$ 984,495	\$ 982,096
Lapsed balances	\$ 3,330,106	\$ 3,015,505	\$ 7,317,904
<u>LaSalle Veterans' Home Fund - 0272</u>			
<i>LaSalle Veterans' Home (Division 23)</i>			
Appropriations (net of transfers)	\$ 16,638,100	\$ 12,460,100	\$ 17,068,000
Expenditures			
Personal services	6,752,888	3,812,718	5,146,793
State contributions to State employees' Retirement System	3,197,916	1,699,768	2,347,585
State contribution to Social Security	496,741	280,375	377,270
Contractual services	1,739,431	1,868,713	1,936,310
Travel	2,998	2,834	673
Commodities	1,195,219	1,416,494	1,404,758
Printing	6,634	15,765	12,264
Equipment	34,236	65,464	31,655
Electronic data processing	5,298	8,345	139,758
Telecommunications services	97,337	55,466	58,142
Operation of automotive equipment	8,161	12,855	8,373
Permanent improvements	40,503	-	23,003
Refunds	44,456	27,074	19,811
Total expenditures	\$ 13,621,818	\$ 9,265,871	\$ 11,506,395
Lapsed balances	\$ 3,016,282	\$ 3,194,229	\$ 5,561,605

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For the Fiscal Years Ended June 30, 2018, 2017 and 2016

	Fiscal Year		
	2018	2017	2016
		P.A. 099-0524 P.A. 100-0021 Court-Ordered Expenditures	P.A. 099-0409 P.A. 099-0491 P.A. 099-0524 Court-Ordered Expenditures
	P.A. 100-0021		
<u>Anna Veterans' Home Fund - 0273</u>			
<u>Anna Veterans' Home (Division 18)</u>			
Appropriations (net of transfers)	\$ 6,214,900	\$ 4,584,200	\$ 5,928,700
Expenditures			
Personal services	2,797,369	530,407	1,476,782
State contributions to State employees' Retirement System	1,324,740	236,467	673,728
State contribution to Social Security	205,672	39,087	108,495
Contractual services	799,954	708,278	686,465
Travel	2,445	6,919	1,449
Commodities	416,247	407,639	389,278
Printing	2,684	1,342	2,025
Equipment	30,384	80,006	10,550
Electronic data processing	1,489	2,551	44,107
Telecommunications services	29,663	17,469	17,652
Operation of automotive equipment	6,385	3,792	3,548
Permanent improvements	9,335	9,931	8,746
Refunds	12,707	7,592	2,478
Total expenditures	\$ 5,639,074	\$ 2,051,480	\$ 3,425,303
Lapsed balances	\$ 575,826	\$ 2,532,720	\$ 2,503,397
<u>Illinois Affordable Housing Trust Fund - 0286</u>			
<u>Central Office (Division 01)</u>			
Appropriations (net of transfers)	\$ 223,000	\$ 223,000	\$ 223,000
Expenditures			
Lump sum and other purposes	213,000	203,289	210,167
Total expenditures	\$ 213,000	\$ 203,289	\$ 210,167
Lapsed balances	\$ 10,000	\$ 19,711	\$ 12,833

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For the Fiscal Years Ended June 30, 2018, 2017 and 2016

	Fiscal Year		
	2018	2017	2016
		P.A. 099-0524 P.A. 100-0021 Court-Ordered Expenditures	P.A. 099-0409 P.A. 099-0491 P.A. 099-0524 Court-Ordered Expenditures
	P.A. 100-0021		
<u>GI Education Fund - 0447</u>			
<i>State Approving Agency (Division 30)</i>			
Appropriations (net of transfers)	\$ 1,482,800	\$ 1,390,700	\$ 1,267,300
Expenditures			
Personal services	530,281	552,588	524,880
State contributions to State employees' Retirement System	251,197	245,073	239,449
State contribution to Social Security	39,075	39,864	38,983
Employer contribution to group insurance	100,316	115,831	92,803
Contractual services	29,814	34,814	28,538
Travel	17,433	11,412	11,055
Commodities	905	572	1,350
Printing	999	-	404
Equipment	386	580	24,600
Electronic data processing	7,426	1,350	3,346
Telecommunications services	7,774	9,783	11,484
Operation of automotive equipment	9,262	8,661	10,475
Total expenditures	\$ 994,868	\$ 1,020,528	\$ 987,367
Lapsed balances	\$ 487,932	\$ 370,172	\$ 279,933
<u>Quincy Veterans' Home Fund - 0619</u>			
<i>Quincy Veterans' Home (Division 20)</i>			
Appropriations (net of transfers)	\$ 31,478,200	\$ 20,791,800	\$ 29,721,800
Expenditures			
Personal services	9,733,772	5,492,004	9,819,484
Member compensation	12,071	14,858	19,628
State contributions to State employees' Retirement System	4,613,132	2,449,474	4,484,863
State contribution to Social Security	712,330	403,853	719,369
Contractual services	3,633,694	3,256,326	3,556,125
Travel	6,421	3,022	1,570
Commodities	4,202,279	4,413,974	4,572,861
Printing	12,408	20,336	27,594
Equipment	189,614	206,750	38,842
Electronic data processing	9,520	13,758	275,935
Telecommunications services	188,687	150,159	137,997
Operation of automotive equipment	42,853	33,624	42,633
Permanent improvements	21,457	6,503	6,570
Refunds	73,796	28,038	62,632
Total expenditures	\$ 23,452,034	\$ 16,492,679	\$ 23,766,103
Lapsed balances	\$ 8,026,166	\$ 4,299,121	\$ 5,955,697

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	Fiscal Year		
	2018	2017	2016
		P.A. 099-0524 P.A. 100-0021 Court-Ordered Expenditures	P.A. 099-0409 P.A. 099-0491 P.A. 099-0524 Court-Ordered Expenditures
	P.A. 100-0021		
<u>Budget Stabilization Fund - 0686</u>			
<i>Central Office (Division 01)</i>			
Appropriations (net of transfers)	\$ -	\$ 1,000,000	\$ -
Expenditures			
Lump sums and other purposes	-	910,482	-
Total expenditures	\$ -	\$ 910,482	\$ -
Lapsed balances	\$ -	\$ 89,518	\$ -
<u>Roadside Memorial Fund - 0697</u>			
<i>Central Office (Division 01)</i>			
Appropriations (net of transfers)	\$ 425,000	\$ 425,000	\$ 425,000
Expenditures			
Lump sums and other purposes	238,615	298,155	421,073
Total expenditures	\$ 238,615	\$ 298,155	\$ 421,073
Lapsed balances	\$ 186,385	\$ 126,845	\$ 3,927
<u>Illinois Military Family Relief Fund - 0725</u>			
<i>Central Office (Division 01)</i>			
Appropriations (net of transfers)	\$ 250,000	\$ 250,000	\$ 250,000
Expenditures			
Awards and grants	6,000	3,000	-
Total expenditures	\$ 6,000	\$ 3,000	\$ -
Lapsed balances	\$ 244,000	\$ 247,000	\$ 250,000
<u>Veterans' Affairs Federal Projects Fund - 0897</u>			
<i>Manteno Veterans' Home (Division 25)</i>			
Appropriations (net of transfers)	\$ -	\$ 125,000	\$ 125,000
Expenditures			
Awards and grants	-	14,079	29,057
Total expenditures	\$ -	\$ 14,079	\$ 29,057
Lapsed balances	\$ -	\$ 110,921	\$ 95,943

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For the Fiscal Years Ended June 30, 2018, 2017 and 2016

	Fiscal Year		
	2018	2017	2016
		P.A. 099-0524 P.A. 100-0021 Court-Ordered Expenditures	P.A. 099-0409 P.A. 099-0491 P.A. 099-0524 Court-Ordered Expenditures
	P.A. 100-0021		
<i>State Approving Agency (Division 30)</i>			
Appropriations (net of transfers)	\$ 220,500	\$ 220,500	\$ 220,500
Expenditures			
Awards and grants	-	46,954	168,030
Total expenditures	\$ -	\$ 46,954	\$ 168,030
Lapsed balances	\$ 220,500	\$ 173,546	\$ 52,470
<u>Manteno Veterans' Home Fund - 0980</u>			
<i>Manteno Veterans' Home (Division 25)</i>			
Appropriations (net of transfers)	\$ 18,410,100	\$ 21,827,200	\$ 23,776,200
Expenditures			
Personal services	3,395,561	6,754,034	7,392,346
Member compensation	8,258	16,552	19,208
State contributions to State employees' Retirement System	1,608,294	3,012,331	3,373,135
State contribution to Social Security	248,792	496,538	540,248
Contractual services	5,375,686	5,419,555	5,201,282
Travel	1,974	3,190	3,749
Commodities	1,106,153	1,105,060	1,627,122
Printing	14,972	9,258	15,037
Equipment	215,422	253,829	224,038
Electronic data processing	7,404	16,838	207,469
Telecommunications services	171,411	138,570	109,776
Operation of automotive equipment	50,473	44,033	40,081
Operation of a program for homeless veterans at the Manteno Veterans' Home	-	-	26,230
Permanent improvements	160,792	-	28,656
Refunds	145,856	84,869	41,605
Lump sums and other purposes	19,683	48,742	-
Total expenditures	\$ 12,530,731	\$ 17,403,399	\$ 18,849,982
Lapsed balances	\$ 5,879,369	\$ 4,423,801	\$ 4,926,218

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	Fiscal Year		
	2018	2017	2016
		P.A. 099-0524	P.A. 099-0409
		P.A. 100-0021	P.A. 099-0491
		Court-Ordered	P.A. 099-0524
	P.A. 100-0021	Expenditures	Court-Ordered Expenditures
NON-APPROPRIATED FUNDS:			
<u>Veterans' Affairs State Projects Fund - 0501</u>			
<i>Central Office (Division 01)</i>			
Expenditures			
Lump sums and other purposes	\$ 23,512	\$ -	\$ 8,920
Total expenditures	\$ 23,512	\$ -	\$ 8,920
<u>Veterans' Affairs Library Grant Fund - 0775</u>			
<i>Anna Veterans' Home (Division 18)</i>			
Expenditures			
Lump sums and other purposes	\$ 4,850	\$ 2,200	\$ 3,500
Total expenditures	\$ 4,850	\$ 2,200	\$ 3,500
<i>Quincy Veterans' Home (Division 20)</i>			
Expenditures			
Lump sums and other purposes	\$ 21,126	\$ 19,400	\$ 16,500
Total expenditures	\$ 21,126	\$ 19,400	\$ 16,500
<i>LaSalle Veterans' Home (Division 23)</i>			
Expenditures			
Lump sums and other purposes	\$ 10,024	\$ 17,400	\$ 16,269
Total expenditures	\$ 10,024	\$ 17,400	\$ 16,269
<i>Manteno Veterans' Home (Division 25)</i>			
Expenditures			
Lump sums and other purposes	\$ 14,373	\$ 11,000	\$ 9,000
Total expenditures	\$ 14,373	\$ 11,000	\$ 9,000
TOTAL NON-APPROPRIATED EXPENDITURES	\$ 73,885	\$ 50,000	\$ 54,189
GRAND TOTAL ALL FUNDS EXPENDITURES	\$ 119,946,924	\$ 113,634,601	\$ 118,566,553
SALARY OF DEPARTMENT OFFICIALS AS REPORTED WITHIN THE COMPTROLLER'S STATE OFFICERS APPROPRIATION:			
Salary of the Director	\$ 110,281	\$ 115,613	\$ 115,613
Salary of the Assistant Director	86,979	98,543	98,543
Total Expenditures-Salary of State Officers	\$ 197,260	\$ 214,156	\$ 214,156

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Schedule 4

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records, and have been reconciled to Department records.

Note 2: The expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

Note 3: The Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As the Department never received enacted personal services appropriations for Fund 0001, the Department was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs during fiscal year 2016. Further, as Public Act 100-0021 states appropriation authority granted by the General Assembly does not supersede any court-order directing the expenditure of funds and states such payments are added to the appropriations granted by the General Assembly, the Department was able to submit vouchers to pay its employees in full from Fund 0001 without a maximum expenditure limit for personal service costs during fiscal year 2017.

Note 4: During fiscal year 2016, the Department operated without enacted appropriations until Public Act 99-0409, Public Act 99-0491, and Public Act 99-0524 were signed into law on August 20, 2015, December 9, 2015 and June 30, 2016, respectively. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Department's court-ordered payroll payments were merged into the enacted appropriation for Fund 0272, Fund 0273, Fund 0447, Fund 0619, Fund 0897, and Fund 0980. Further, the Department incurred non-payroll obligations within Fund 0236, Fund 0272, Fund 0273, Fund 0286, Fund 0447, Fund 0619, Fund 0697, Fund 0897, and Fund 0980, which the Department was unable to pay until the passage of Public Act 99-0409, Public Act 99-0491, and Public Act 99-0524.

Note 5: Public Act 99-0524 authorizes the Department to pay fiscal year 2016 costs using its fiscal year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department to be submitted against its fiscal year 2017 appropriation.

Note 6: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Department to pay for all costs incurred prior to July 1, 2018, using either its fiscal year 2017 or fiscal year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report includes information from Department management about the number of invoices and the total dollar amount of invoices from fiscal year 2016 and fiscal year 2017 held by the Department to be submitted against either its fiscal year 2017 or fiscal year 2018 appropriation.

Note 7: Lapse period expenditures do not include interest payments approved for payment by the Department and submitted to the State Comptroller after September 30, 2018.

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SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND FUND BALANCE (CASH BASIS) - LOCALLY-HELD FUNDS
For the Year Ended June 30, 2018

Schedule 5

Fund Number	Fund Name	Cash Balance July 1, 2017	Receipts	Disbursements	Cash Balance June 30, 2018
1311	Anna Clearing Account	\$ -	\$ 812,799	\$ 812,799	\$ -
1339	Benefits Trust Fund - Anna	42,224	75,049	66,620	50,653
1348	Members' Trust Fund - Anna	93,810	846,502	870,389	69,923
1261	Residents' Benefit Fund - LaSalle	409,350	143,282	149,826	402,806
1260	Residents' Trust Fund - LaSalle	536,047	3,737,375	3,716,844	556,578
1317	LaSalle Clearing Account	-	3,489,248	3,489,248	-
1219	Benefits Trust Fund - Manteno	732,438	192,078	194,122	730,394
1220	Members' Trust Fund - Manteno	1,310,684	6,294,824	6,350,527	1,254,981
1318	Manteno Clearing Account	11	6,171,384	6,171,394	1
1397	Benefits Trust Fund - Prince Homeless Program	40,647	24,980	9,233	56,394
1152	Benefits Trust Fund - Quincy	341,083	116,962	139,337	318,708
1158	Protestant Chapel Fund - Quincy	39,332	6,162	6,652	38,842
1159	St. Lawrence Chapel Fund - Quincy	30,444	5,583	8,467	27,560
1246	Members' Trust Fund - Quincy	2,039,387	7,407,084	7,682,704	1,763,767
1316	Quincy Clearing Account	-	6,764,379	6,764,379	-
Total Locally Held Funds		<u>\$ 5,615,457</u>	<u>\$ 36,087,691</u>	<u>\$ 36,432,541</u>	<u>\$ 5,270,607</u>

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SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND FUND BALANCE (CASH BASIS) - LOCALLY-HELD FUNDS
For the Year Ended June 30, 2017

Schedule 6

Fund Number	Fund Name	Cash Balance July 1, 2016	Receipts	Disbursements	Cash Balance June 30, 2017
1311	Anna Clearing Account	\$ -	\$ 759,431	\$ 759,431	\$ -
1339	Benefits Trust Fund - Anna	19,271	54,565	31,612	42,224
1348	Members' Trust Fund - Anna	100,674	794,110	800,974	93,810
1261	Residents' Benefit Fund - LaSalle	354,181	139,063	83,894	409,350
1260	Residents' Trust Fund - LaSalle	521,762	3,690,202	3,675,917	536,047
1317	LaSalle Clearing Account	8	3,521,634	3,521,642	-
1219	Benefits Trust Fund - Manteno	687,295	216,213	171,070	732,438
1220	Members' Trust Fund - Manteno	1,139,928	6,554,321	6,383,565	1,310,684
1318	Manteno Clearing Account	11	6,412,853	6,412,853	11
1397	Benefits Trust Fund - Prince Homeless Program	28,406	20,049	7,808	40,647
1152	Benefits Trust Fund - Quincy	359,690	144,169	162,776	341,083
1158	Protestant Chapel Fund - Quincy	39,105	6,947	6,720	39,332
1159	St. Lawrence Chapel Fund - Quincy	30,392	8,124	8,072	30,444
1246	Members' Trust Fund - Quincy	1,833,367	7,936,749	7,730,729	2,039,387
1316	Quincy Clearing Account	-	7,198,520	7,198,520	-
Total Locally Held Funds		<u>\$ 5,114,090</u>	<u>\$ 37,456,950</u>	<u>\$ 36,955,583</u>	<u>\$ 5,615,457</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Years Ended June 30, 2017 and 2018

	Land	Site Improvements	Building	Equipment	Construction in Progress	Total
*Balance at July 1, 2016	\$ 911,541	\$ 7,922,642	\$ 119,206,048	\$ 16,267,561	\$ -	\$ 144,307,792
Additions	-	-	-	427,960	-	427,960
Deletions	-	-	91,438	2,532,209	-	2,623,647
Net Transfers	-	-	2,493	(72,232)	-	(69,739)
Balance at June 30, 2017	<u>\$ 911,541</u>	<u>\$ 7,922,642</u>	<u>\$ 119,117,103</u>	<u>\$ 14,091,080</u>	<u>\$ -</u>	<u>\$ 142,042,366</u>
Balance at July 1, 2017	\$ 911,541	\$ 7,922,642	\$ 119,117,103	\$ 14,091,080	\$ -	\$ 142,042,366
Additions	-	-	104,952	652,461	-	757,413
Deletions	-	-	-	662,632	-	662,632
Net Transfers	-	-	76,023	(964,552)	-	(888,529)
Balance at June 30, 2018	<u>\$ 911,541</u>	<u>\$ 7,922,642</u>	<u>\$ 119,298,078</u>	<u>\$ 13,116,357</u>	<u>\$ -</u>	<u>\$ 141,248,618</u>

*Note: The Department reported \$165,025 and \$534,672 in lost or stolen equipment in fiscal years 2017 and 2018, respectively. This schedule has not been updated for these items.

**Note: The schedule was not updated for issues noted in Finding No. 2018-001

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION
OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**

Schedule 8

For the Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	2018	2017	2016
<u>General Revenue Fund - 0001</u>			
Central Office miscellaneous receipts	\$ 17	\$ -	\$ 16
Manteno Veterans' Home miscellaneous receipts	158	286	487
Quincy Veterans' Home miscellaneous receipts	115	93	628
LaSalle Veterans' Home miscellaneous receipts	82	46	-
Field services	107	456	75
Total cash receipts per Department records	479	881	1,206
Plus - in transit at beginning of year	-	-	-
Less - in transit at end of year	-	-	-
Total cash receipts per State Comptroller's records	<u>\$ 479</u>	<u>\$ 881</u>	<u>\$ 1,206</u>
<u>Illinois Veterans' Assistance Fund - 0236</u>			
Private organization or individual donation	\$ 3,880	\$ 430	\$ 251
Total cash receipts per Department records	3,880	430	251
Plus - in transit at beginning of year	-	-	-
Less - in transit at end of year	-	-	-
Total cash receipts per State Comptroller's records	<u>\$ 3,880</u>	<u>\$ 430</u>	<u>\$ 251</u>
<u>LaSalle Veterans' Home Fund - 0272</u>			
Third party liability (medical reimbursements)	\$ 3,819	\$ 3,840	\$ 9,488
Health and Human Services (Medicare)	25,536	32,443	36,611
VA reimbursements	7,579,390	7,720,856	7,543,718
Copy fees	183	-	114
Patient fees (members maintenance)	3,438,846	3,466,250	3,356,622
Miscellaneous	298	61	57
Rental income - miscellaneous	18,000	18,000	18,000
Jury duty and personal phone calls employees	557	35	270
Meal tickets	2,010	1,130	1,065
Total cash receipts per Department records	11,068,639	11,242,615	10,965,945
Plus - in transit at beginning of year	5,403	555,310	9,784
Less - in transit at end of year	584,997	5,403	555,310
Deposit put in wrong IOC fund	-	-	(269,172)
Total cash receipts per State Comptroller's records	<u>\$ 10,489,045</u>	<u>\$ 11,792,522</u>	<u>\$ 10,151,247</u>
<u>Anna Veterans' Home Fund - 0273</u>			
Home Fund - third party insurance	\$ 104	\$ 1,884	\$ 3,867
Patient Medicare	2,249	3,281	6,959
VA reimbursements	2,479,968	3,002,165	3,072,520
Copy fees	112	207	-
Patient fees (members maintenance)	804,469	745,832	687,995
Miscellaneous	136	5,178	42,840
Private organization or individual donation	3,411	3,416	3,521
Rental income - property	-	-	1,529
Jury duty and personal phone calls employees	47	-	25
Total cash receipts per Department records	3,290,496	3,761,963	3,819,256
Plus - in transit at beginning of year	2,436	3,828	4,890
Less - in transit at end of year	239	2,436	3,828
Deposit put in wrong IOC fund	-	-	269,172
Total cash receipts per State Comptroller's records	<u>\$ 3,292,693</u>	<u>\$ 3,763,355</u>	<u>\$ 4,089,490</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION
OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**

Schedule 8

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	Fiscal Year		
	2018	2017	2016
<u>GI Education Fund - 0447</u>			
VA reimbursements	\$ 1,260,275	\$ 1,126,758	\$ 1,128,532
Jury duty and personal phone calls employees	-	15	25
Total cash receipts per Department records	<u>1,260,275</u>	<u>1,126,773</u>	<u>1,128,557</u>
Plus - in transit at beginning of year	-	-	-
Less - in transit at end of year	-	-	-
Total cash receipts per State Comptroller's records	<u><u>\$ 1,260,275</u></u>	<u><u>\$ 1,126,773</u></u>	<u><u>\$ 1,128,557</u></u>
<u>Veterans' Affairs State Projects Fund - 0501</u>			
Private organization or individual donation	\$ 50,000	\$ -	\$ 8,920
Total cash receipts per Department records	<u>50,000</u>	<u>-</u>	<u>8,920</u>
Plus - in transit at beginning of year	-	-	-
Less - in transit at end of year	-	-	-
Total cash receipts per State Comptroller's records	<u><u>\$ 50,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,920</u></u>
<u>Quincy Veterans' Home Fund - 0619</u>			
Insurance reimbursements	\$ 103,661	\$ 98,432	\$ 106,501
Health and Human Services (Medicare)	386,739	314,391	388,634
VA reimbursements	14,515,335	14,447,585	14,015,126
Copy fees	1,152	61	1,414
Patient fees (members maintenance)	6,236,747	6,754,410	6,677,822
Miscellaneous	2,153	2,688	5,697
Rental income - property	30,293	24,775	29,993
Jury duty and personal phone calls employees	99	112	111
Shipping charges	122	87	62
Private organization or individual donation	3,299	3,471	4,888
Total cash receipts per Department records	<u>21,279,600</u>	<u>21,646,012</u>	<u>21,230,248</u>
Plus - in transit at beginning of year	17,857	31,584	120,302
Less - in transit at end of year	1,288,245	17,857	31,584
Total cash receipts per State Comptroller's records	<u><u>\$ 20,009,212</u></u>	<u><u>\$ 21,659,739</u></u>	<u><u>\$ 21,318,966</u></u>
<u>Veterans' Affairs Library Grant Fund - 0775</u>			
Secretary of State receipts	\$ 50,000	\$ 50,000	\$ 45,269
Total cash receipts per Department records	<u>50,000</u>	<u>50,000</u>	<u>45,269</u>
Plus - in transit at beginning of year	-	-	-
Less - in transit at end of year	-	-	-
Total cash receipts per State Comptroller's records	<u><u>\$ 50,000</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 45,269</u></u>
<u>Veterans' Affairs Federal Projects Fund - 0897</u>			
Department of Defense receipts	\$ -	\$ 853	\$ 147,659
Housing and Urban Development receipts	-	22,982	72,341
Total cash receipts per Department records	<u>-</u>	<u>23,835</u>	<u>220,000</u>
Plus - in transit at beginning of year	-	-	-
Less - in transit at end of year	-	-	-
Total cash receipts per State Comptroller's records	<u><u>\$ -</u></u>	<u><u>\$ 23,835</u></u>	<u><u>\$ 220,000</u></u>

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OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**

Schedule 8

For the Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	2018	2017	2016
<u>Manteno Veterans' Home Fund - 0980</u>			
Insurance reimbursements	\$ 31,154	\$ 40,347	\$ 81,835
Health and Human Services (Medicare)	115,303	174,942	281,311
VA reimbursements	13,639,890	11,327,770	11,971,717
Copy fees	983	1,775	2,969
Patient fees (members maintenance)	5,961,541	6,126,085	5,841,449
Miscellaneous	714	5,462	15,478
Property income	57,371	57,381	57,371
Jury duty and personal phone calls employees	112	84	149
Outdated drugs	4,057	6,777	31,967
Total cash receipts per Department records	<u>19,811,125</u>	<u>17,740,623</u>	<u>18,284,246</u>
Plus - in transit at beginning of year	34,446	44,150	57,914
Less - in transit at end of year	13,562	34,446	44,150
Total cash receipts per State Comptroller's records	<u>\$ 19,832,009</u>	<u>\$ 17,750,327</u>	<u>\$ 18,298,010</u>
<u>Total, All Funds</u>			
Central Office miscellaneous receipts	\$ 17	\$ -	\$ 16
Copy fees	2,430	2,043	4,497
Department of Defense receipts	107	853	147,659
Field services	-	456	75
Health and Human Services (Medicare)	527,578	521,776	706,556
Home Fund - third party insurance	104	1,884	3,867
Housing and Urban Development receipts	-	22,982	72,341
Insurance reimbursements	134,815	138,779	188,336
Jury duty and personal phone calls employees	815	246	580
LaSalle Veterans' Home miscellaneous receipts	82	46	-
Manteno Veterans' Home miscellaneous receipts	158	286	487
Meal tickets	2,010	1,130	1,065
Miscellaneous	3,301	13,389	64,072
Outdated drugs	4,057	6,777	31,967
Patient fees (members maintenance)	16,441,603	17,092,577	16,563,888
Patient Medicare	2,249	3,281	6,959
Private organization or individual donation	60,590	7,317	17,580
Property income	57,371	57,381	57,371
Quincy Veterans' Home miscellaneous receipts	115	93	628
Rental income - miscellaneous	18,000	18,000	18,000
Rental income - property	30,293	24,775	31,522
Secretary of State receipts	50,000	50,000	45,269
Shipping charges	122	87	62
Third party liability (medical reimbursements)	3,819	3,840	9,488
VA reimbursements	39,474,858	37,625,134	37,731,613
Total cash receipts per Department records	<u>56,814,494</u>	<u>55,593,132</u>	<u>55,703,898</u>
Plus - in transit at beginning of year	60,142	634,872	192,890
Less - in transit at end of year	1,887,043	60,142	634,872
Total cash receipts per State Comptroller's records	<u>\$ 54,987,593</u>	<u>\$ 56,167,862</u>	<u>\$ 55,261,916</u>

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DEPARTMENT OF VETERANS' AFFAIRS
AGENCY FUNCTIONS AND PLANNING (Not Examined)
For the Two Years Ended June 30, 2018

AGENCY FUNCTIONS

The Illinois Department of Veterans' Affairs (Department) was created on January 1, 1976, through the Department of Veterans' Affairs Act (20 ILCS 2805 et. seq.) and replaced the Illinois Veterans' Commission. The Department was established to aid and assist all veterans, their dependents and survivors in applying for veterans' benefits due by reason of military service, and to provide health care services for certain veterans, their spouses, widows and widowers. The Department provides professional counseling and assistance relative to all veterans programs, both State and federal.

The Department's functions include the operation of the Illinois Veterans' Homes at Anna, LaSalle, Manteno, and Quincy; the Prince Home residential program for homeless Veterans; the operation of Veterans' Service Offices throughout the State; and the maintenance of the Central Office, the State Approving Agency and a Chicago administrative office. The Central Office coordinates the efforts of the Homes and the Service Offices. During fiscal year 2007, the Department added the Troops to Teachers Program. The mission of the Troops to Teachers Program is to recruit eligible members of the armed forces for participation in the program and facilitate the certification and employment of such participants as teachers in public schools.

The mission of the Illinois Veterans' Homes is to provide to eligible veterans skilled nursing services that meets or exceeds the standards and requirements applicable to facilities within the State. The Homes are subject to inspection by several regulatory agencies, including the U.S. Department of Veterans' Affairs (USDVA), the Illinois Department of Public Health (IDPH), and the Illinois State Fire Marshal. Funding to operate the Homes is provided by resident maintenance fees based on the resident's ability to pay, USDVA per diem reimbursements, and appropriations from the State of Illinois. The nursing units of the Veterans' Homes were constructed in the traditional straight-line hallway model with large central nurses' stations. Current USDVA nursing home designs embrace the small-house model and Community Living Concept. Each Home is moving forward to integrate these principles into the every-day lives of our veterans.

Stephen Curda was named Acting Director of the Department on June 6, 2018. Linda Chapa LaVia was named Acting Director on February 16, 2019. Nine individuals report directly to the Director. These individuals are the Assistant Director, the Director's Assistant, the Legislative Liaison, the Chief of Staff, the Equal Employment Opportunity Officer (EEO), the Chief Legal Counsel, the Human Resource Manager, the Senior Home Administrator and the Chief Internal Auditor.

The Department has the following powers and duties, as outlined in the Department of Veterans' Affairs Act (Act) (20 ILCS 2805/2):

To perform such acts at the request of any veteran, or his or her spouse, surviving spouse or dependents as shall be reasonably necessary or reasonably incident to obtaining or endeavoring to obtain for the requester any advantage, benefit or emolument accruing or due to such person under any law of the United States, the State of Illinois or any other state or governmental agency by reason of the service of such veteran, and in pursuance thereof shall:

1. Contact veterans, their survivors and dependents and advise them of the benefits of State and federal laws and assist them in obtaining such benefits;

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AGENCY FUNCTIONS AND PLANNING (Not Examined)
For the Two Years Ended June 30, 2018

2. Establish field offices and direct the activities of the personnel assigned to such offices;
3. Create a volunteer field force of accredited representatives, representing educational institutions, labor organizations, veterans' organizations, employers, churches and farm organizations;
4. Conduct informational and training services;
5. Conduct educational programs through newspapers, periodicals, social media, television, and radio for the specific purpose of disseminating information affecting veterans and their dependents;
6. Coordinate the services and activities of all State departments having services and resources affecting veterans and their dependents;
7. Encourage and assist in the coordination of agencies within counties giving service to veterans and their dependents;
8. Cooperate with veterans' service organizations and other governmental agencies;
9. Make, alter, amend and promulgate reasonable rules and procedures for the administration of this Act; and,
10. Make and publish annual reports to the Governor regarding the administration and general operation of the Department.
11. The Illinois Veterans' Homes Fund is hereby created as a special fund in the State treasury. From appropriations to the Department, the Department shall purchase needed equipment and supplies to enhance the lives of the residents and to enhance the operations of the veterans' homes in Illinois.

Also, by executive designation, the Department of Veterans' Affairs is responsible for the approval of education and training programs for the purpose of determining eligibility for payments by the U.S. Department of Veterans' Affairs to eligible veterans. The Department's State Approving Agency carries out these responsibilities.

Illinois Veterans' Home at Anna

Home Functions

The Illinois Veterans' Home at Anna (Home) was opened in August 1994 and it currently operates under the authority of the Department of Veterans' Affairs Act (20 ILCS 2805). The Home was established to provide care as described below for the southern Illinois area veteran population. The Home is a mixed care facility composed of independent apartment units with a maximum occupancy of twelve eligible veterans, their spouses, widows, or widowers (depending on bed availability), and a fifty bed intermediate and skilled care component for eligible veterans.

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According to the Department of Veterans' Affairs (Department), commitment to the care of the aging veteran is and shall continue to be the primary focus of the Department. Program offerings for the Anna Veterans' Home consist of health care, social activities, recreation, and support services.

Illinois Veterans' Home at LaSalle

Home Functions

The Illinois Veterans' Home at LaSalle (Home) was established by Public Act 85-1188 of the General Assembly, effective January 1, 1989. It currently operates under the authority of the Department of Veterans' Affairs Act (20 ILCS 2805). Construction of the Home was completed in the fall of 1990 with an initial capacity of 120 residents. Pursuant to Public Act 95-331, the Home constructed an addition which increased the Home's capacity by 80 beds on January 21, 2009, which includes a 40-bed secure unit for residents with special needs.

The mission of the Home is to provide skilled nursing services to all eligible veterans that will meet or exceed all standards and requirements. Veterans receive the full spectrum of nursing care services provided at all Veterans' Homes, including social services, and physical, recreational and occupational therapies.

Illinois Veterans' Home at Manteno

Home Functions

The Illinois Veterans' Home at Manteno (Home) was established August 12, 1985, by Public Act 84-139. It currently operates under the authority of the Department of Veterans' Affairs Act (20 ILCS 2805). The Home's campus is located on a 122 acre site which includes five major nursing care units, two ancillary service and support buildings, and several administrative and other support buildings.

The Home is a skilled nursing care facility with a capacity of 306 beds, which includes Alzheimer's care for 40 residents. Services provided by the Home include medical, skilled nursing, therapeutic, nutritional, and social services care. The Home also provides religious and recreational activities for the benefit of its residents.

Illinois Veterans' Home at Quincy

Home Functions

The Illinois Veteran's Home at Quincy (Home) was established by act of the General Assembly in 1885 and opened in 1887 as a home for the veterans of the American Civil War. In July 1976, it became part of the Department and in August 1998, it became regulated by the Illinois Department of Public Health. The Home is a mixed care facility composed of independent apartment units with a maximum occupancy of 132 for eligible veterans, their spouses, widows, or widowers (depending on bed availability), and a 419 bed skilled care component for eligible veterans, to include a secured Special Needs Unit.

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As required by the Nursing Home Care Act (210 ILCS 45), the community core of the campus offers barber and beauty shops, a library, social services, recreation activities, a post office, bank, convenience-type store and a coffee shop for the more than 380 resident Illinois veterans and their spouses, widows and widowers.

Prince Home at Manteno

Home Functions

Located on the grounds of the Manteno Veterans' Home, the Prince Home for homeless and disabled veterans is a separate program with a dedicated staff and program director. The Prince Home opened in 2007 to provide permanent supportive housing for men and women veterans in its 15-bed facility.

The Prince Home staff provides each resident with the skills needed for successful independent living. The Home provides a structured, safe, and caring environment, which instills a sense of dignity, belonging, and achievement enhancing the opportunity to succeed. The Prince Home vision is for residents to leave the program with the confidence to achieve full-time employment, independent housing, and sobriety. To reside in the Prince Home, residents must participate in the entire scope of the curriculum, programs, and activities.

As of June 2018, the Prince Home has served 208 residents, since its opening.

Illinois Veterans' Home at Chicago

Home Functions

The Illinois Veterans' Home at Chicago will be located at 4250 N. Oak Park Avenue in Chicago.

The construction of the Illinois Veterans' Home at Chicago is coordinated by the Illinois Capital Development Board. Contractor bids for construction of the 200-bed Illinois Veterans' Home at Chicago were opened at the James R. Thompson Center on July 22, 2014. The lowest responsive contractors were selected on September 18, 2014 and authorized to proceed.

A ceremonial ground breaking was held September 21, 2014, and the contractors mobilized on November 18, 2014, at the construction site.

Construction was scheduled to be completed within 668 consecutive calendar days from the date of the Authorization to Proceed, placing Substantial Completion at June 15, 2016, and Final Acceptance 60 days later.

Construction is precast concrete with brick veneer. The building consists of five floors with common spaces, administration, and back of the house areas on the first floor. On the second floor of the building are four secure units with roof-top garden outdoor spaces.

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Twelve additional skilled care units are on the third, fourth, and fifth floors. Each resident room is single occupancy with a private lavatory and roll in shower. Each of the units will have a serving kitchen, dining area, living room, and den.

On July 1, 2015, state construction was stopped due to the Budget Impasse Hold on all projects. The Construction was winterized to protect it from the elements over the winter.

Senate Bill 2047 (Public Act 99-0524) was passed on June 30, 2016, and signed by Governor Rauner, allowing the Project to reconvene. Completion dates were to be re-established based the contractors' availability to return to the job site from other projects they may have undertaken during the budget impasse and the ability to get the materials, equipment and manpower to restart the job. At this time, the estimated completion date is June 30, 2019.

AGENCY LOCATION

The headquarters of the Department is at 833 South Spring Street, Springfield, Illinois. The Central Office, the State Approving Agency and a Veterans' Service Office are located in the Department headquarters. An administrative office and a Veterans' Service Office are located at 69 W. Washington Street, 16th floor, Chicago, Illinois 60601.

The Illinois Veterans' Home at Anna is located at 792 North Main Street, Anna, Illinois.

The Illinois Veterans' Home at LaSalle is located at 1015 O'Conor Avenue, LaSalle, Illinois.

The Illinois Veterans' Home at Manteno is located at 1 Veterans Drive, Manteno, Illinois.

The Illinois Veterans' Home at Quincy is located at 1707 North 12th Street, Quincy, Illinois.

The Department is currently licensed for 1,285 skilled care beds for providing long-term care to veterans, including 132 domiciliary beds; but is only funded for 1,053 skilled care beds.

The Department operated 43 full-service Veterans' Service Field Offices statewide to provide assistance and informational services to veterans, their dependents, and survivors. In addition, the Department also maintained 35 itinerant field offices. An itinerant field office is office space used to meet with a veteran, closer than a full service office would be. The office locations are included on the Department's website.

AGENCY PLANNING

The Department has developed a strategic plan for the Department. Items in the strategic plan include an operational plan that sets out goals and objectives. The various program managers, as well as the Director and Chief Fiscal Officer all participate in the goal-setting process. The goals established in the plan are consistent with the Department's statutory mandates and authority.

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The Department also has developed a Long-Range Capital Plan, which states the condition of each facility, and states the capital improvements needed at each facility. To further assist in planning, the Department develops a Planning Programming Budget for each State fiscal year, and an Affirmative Action Plan to increase representation of minorities and women in the Department's work force.

Illinois Veterans' Home at Anna

Home Planning

The Anna Veterans' Home has developed several goals to be completed in subsequent years. These goals are to:

- Expand the Home with a new 44 bed addition to address the increased need for skilled care for veterans, provide an expanded dining room to alleviate overcrowding and better accommodate residents in wheelchairs, and re-organize the nurse's station, as well as the construction of oxygen storage rooms.
- Establish a Special Needs Unit.
- Hire potential additional dedicated transport personnel.
- Renovate domiciliary units.

Illinois Veterans' Home at LaSalle

Home Planning

The LaSalle Veterans' Home has developed several goals to be completed in subsequent years. These goals are to:

- Review long-term care facilities' performance measures and practices that improve the quality of care and operational efficiency of the Home.
- Continue to advocate for Capital Development Board funding for physical plant projects listed below:
 - Replacement of the cold water chiller in original residential wing;
 - Construction of additional warehouse space and vehicle storage facility; and
 - Replacement of nurse call and fire alarm system in original residential wing.

Illinois Veterans' Home at Manteno

Home Planning

The Manteno Veterans' Home developed the following strategic plan to address the needs of the veterans they serve:

- Pursue physical plant upgrades and improvements to better serve the needs of the residents including but not limited to:
 - Installation of dehumidifiers and humidifiers in the residential units;

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- Upgrade of water mains and storm sewers; and
- Installation of heating ventilation/air conditioning in the north and south interconnects and vestibules.

Illinois Veterans' Home at Quincy

Home Planning

The Quincy Veterans' Home developed the following goals to better meet the needs of today's and tomorrow's veterans and those of their spouses:

- Continue to advocate for Capital Development Board funding for current physical plant projects.
- Develop a plan to improve security of the campus.
- Upgrade medication and billing systems.

The Quincy Veterans' Home has also developed the following long-term goals:

- Develop a master plan for capital improvements and equipment life cycle management.
- Continue to explore the need for and feasibility of providing for additional needs of future veteran residents due to the anticipated resident demographic changing from World War II and Korean War veterans to Vietnam, Gulf War, and Global War on Terrorism veterans.
- Assess the benefits of consolidating domiciliary residents into one building.
- Replacement of current call light system.

AGENCY MONITORING

The Department attempts to coordinate its goals, objectives, strategies and activities with other agencies that provide similar services. To aid in achieving its goals, the Department maintains relationships with many State and federal agencies, veterans' organizations, and educational facilities. The Department's goals are monitored by administrative personnel at the Central Office and by the administrators at each of the Veterans' Homes. The goals are translated into each central office administrator's performance objectives, as well as the performance objectives for Home administrators. The annual evaluations reflect the performance of these objectives, as well as other initiatives. The Department's Director holds weekly staff meetings to review current developments or issues relative to the welfare of veterans and to maintain focus on the Department's goals.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**ANALYSIS OF SIGNIFICANT VARIATIONS
IN EXPENDITURES (Not Examined)**
For the Two Years Ended June 30, 2018

The Illinois Department of Veterans' Affairs (Department) explanations for significant fluctuations in expenditures as presented in the Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances - by Object (Schedule 4) are detailed below. For the purpose of this analysis, a significant fluctuation is defined as a variation that equaled or exceeded \$20,000 and 20% as compared to the prior year.

During fiscal year 2017, Public Act 100-0021 stated the appropriation authority granted by the General Assembly did not supersede any court order directing the expenditure of funds and stated such payments were added to the appropriations granted by the General Assembly.

General Revenue Fund - 0001

Central Office, Veterans' Field Office, Anna Veterans' Home, Quincy Veterans' Home, LaSalle Veterans' Home, Manteno Veterans' Home and State Veterans' Homes

Expenditures increased for the Central Office from fiscal year 2016 to fiscal year 2017 due to the General Revenue Fund receiving lump sums and awards and grants appropriations utilized for the Illinois Warrior Assistance Program, grants for bonus payments to war veterans and peacetime crisis survivors and grants for children of certain veterans that were not received in fiscal year 2016.

Expenditures increased for the State Veterans' Home division from fiscal year 2016 to fiscal year 2017 due to a higher amount of operational expenses being incurred during fiscal year 2017. In fiscal year 2018 there were no court-ordered operational expenditures.

Expenditures increased for all divisions except for the State Veterans' Homes division from fiscal year 2017 to fiscal year 2018 for the General Revenue Fund due to the Department receiving appropriations for these divisions in fiscal year 2018 and not requiring court-ordered expenditures from the State Veterans' Home division.

Illinois Veterans' Assistance Fund - 0236

Central Office

Expenditures decreased from fiscal year 2017 to 2018 due to a decrease in the number of grants processed. In fiscal year 2017, 21 grants were processed by the Department. Only 16 were processed in fiscal year 2018.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**ANALYSIS OF SIGNIFICANT VARIATIONS
IN EXPENDITURES (Not Examined)**
For the Two Years Ended June 30, 2018

LaSalle Veterans' Home Fund - 0272

LaSalle Veterans' Home

Employees working at the Department's Veterans' Homes are paid from the Homes Funds or the General Revenue Fund, depending on how funds are appropriated. Expenditures decreased for personal services between fiscal year 2016 and fiscal year 2017 and increased in fiscal year 2018 due to the way funds were appropriated. The fluctuations in personal services caused corresponding fluctuations in contributions to State employees' retirement and social security.

Equipment expenditures between fiscal years 2016 and 2017 increased due to deferred spending from fiscal year 2016 carrying to fiscal year 2017. The deferred spending was a direct result of the budget impasse. Equipment expenditures decreased between fiscal years 2017 and 2018 due to appropriations returning to normal from Public Act 100-0021.

Electronic data processing expenditures decreased between fiscal years 2016 and 2017 due to the implementation of the new accounting system occurring in early fiscal year 2017. An increase in electronic data processing expenditures occurred in fiscal year 2016 to prepare for the implementation of the new accounting system.

Telecommunication expenditures increased between fiscal years 2017 and 2018 due to the rental of telephone services and data communication services increasing as a result of the Department of Innovation and Technology (DoIT) increasing their rates.

Permanent improvements expenditures decreased between fiscal years 2016 and 2017 due to the budget impasse. As there was no budget during fiscal year 2017, following the impasse during fiscal year 2016, improvements were not completed at the LaSalle Home in order to curtail all unnecessary spending.

Anna Veterans' Home Fund – 0273

Anna Veterans' Home

Employees working at the Department's Veterans' Homes are paid from the Homes Funds or the General Revenue Fund, depending on how the funding is appropriated. Expenditures decreased between fiscal years 2016 and 2017 and increased between fiscal years 2017 and 2018 at the Anna Veterans' Home Fund due to the way funding was made available for this purpose. The fluctuations in personal services also caused corresponding fluctuations to contributions to State employees' retirement and Social Security.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**ANALYSIS OF SIGNIFICANT VARIATIONS
IN EXPENDITURES (Not Examined)**
For the Two Years Ended June 30, 2018

Equipment expenditures increased between fiscal years 2016 and 2017 due to deferred spending from fiscal year 2016 carrying to fiscal year 2017. The deferred spending was a direct result of the budget impasse. Equipment expenditures decreased between fiscal years 2017 and 2018 due to appropriations returning to normal from Public Act 100-0021.

Electronic data processing expenditures decreased between fiscal years 2016 and 2017 due to the implementation of the new accounting system occurring in early fiscal year 2017. An increase in electronic data processing expenditures occurred in fiscal year 2016 to prepare for the implementation of the new accounting system.

GI Education Fund - 0447

State Approving Agency

Group insurance is directly related to the number of personnel assigned to the Fund. Fiscal year 2017 had significantly more personnel assigned to the Fund than in fiscal year 2016, resulting in an increase of group insurance expenditures in fiscal year 2017. Additionally, the group insurance is charged based on rates and criteria set outside of the Department. Depending upon what employees have chosen, the expenditures may increase on an annual basis.

Equipment expenditures decreased between fiscal year 2016 and fiscal year 2017 due to a vehicle replacement that occurred in fiscal year 2016 that was not needed during fiscal year 2017.

Quincy Veterans' Home Fund - 0619

Quincy Veterans' Home

Employees working at the Department's Veterans' Homes are paid from the Homes Funds or the General Revenue Fund, depending on how the funding is appropriated. Expenditures decreased between fiscal years 2016 and 2017 and increased between fiscal years 2017 and 2018 at the Quincy Veterans' Home Fund due to the way funding was made available for this purpose. The fluctuations in personal services also caused corresponding fluctuations to contributions to State employees' retirement and Social Security.

Equipment expenditures increased between fiscal years 2016 and 2017 due to deferred spending from fiscal year 2016 carrying to fiscal year 2017. The deferred spending was a direct result of the budget impasse. Equipment expenditures decreased between fiscal years 2017 and 2018 due to appropriations returning to normal from Public Act 100-0021.

Electronic data processing expenditures decreased between fiscal years 2016 and 2017 due to the implementation of the new accounting system occurring in early fiscal year 2017. An increase in electronic data processing expenditures occurred in fiscal year 2016 to prepare for the implementation of the new accounting system.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**ANALYSIS OF SIGNIFICANT VARIATIONS
IN EXPENDITURES (Not Examined)**
For the Two Years Ended June 30, 2018

Telecommunication expenditures increased between fiscal years 2017 and 2018 due to the rental of telephone services and data communication services increasing as a result of DoIT increasing their rates.

Refund expenditures decreased between fiscal years 2016 and 2017 and increased between fiscal years 2017 and 2018 due to residents' paying monthly maintenance fees in advance. Refunds are generated upon the death of a resident for the amount of days remaining in the month. It is not possible to estimate this annual expense and fluctuations are expected.

Budget Stabilization Fund – 0686

Central Office

Expenditures increased between fiscal year 2016 and 2017 for the Budget Stabilization Fund as this fund was created because of the budget impasse. These expenditures were for ordinary and contingent expenses, excluding personal services during fiscal year 2017. A full budget was passed in fiscal year 2018, resulting in the Budget Stabilization Fund not being appropriated.

Roadside Memorial Fund - 0697

Central Office

Fiscal year 2016 was the first time the Department received appropriations for this fund. As such, there was a backlog of claims paid out. In fiscal year 2017, the claims processed were mostly those received during the year, causing a significant decrease in fiscal year 2017 from the prior year.

Veterans' Affairs Federal Projects Fund - 0897

State Approving Agency

Only three months of expenditures occurred during fiscal year 2017 as the program was discontinued at the federal level on September 30, 2016. This resulted in decreased expenditures.

Manteno Veterans' Home Fund - 0980

Manteno Veterans' Home

Employees working at the Department's Veterans' Homes are paid from the Homes Funds or the General Revenue Fund, depending on how the funding is appropriated. During fiscal year 2018, personal services payments decreased from the Manteno Veterans' Home Fund compared to fiscal year 2017 due to the way funding was made available for this purpose. The decrease in personal services also caused a decrease to contributions to State employees' retirement and Social Security.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**ANALYSIS OF SIGNIFICANT VARIATIONS
IN EXPENDITURES (Not Examined)**
For the Two Years Ended June 30, 2018

Commodity expenditures decreased from fiscal years 2016 and 2017 due to additional medical supplies being needed to maintain operations at the Manteno Veterans' Home in fiscal year 2016.

Telecommunication expenditures increased between fiscal years 2017 and 2018 due to the rental costs of telephone services and data communication services increasing as a result of DoIT increasing their rates.

Electronic data processing expenditures decreased between fiscal years 2016 and 2017 due to the implementation of the new accounting system occurring in early fiscal year 2017. An increase in electronic data processing expenditures occurred in fiscal year 2016 to prepare for the implementation of the new accounting system.

Operation of a program for homeless veterans at the Manteno Veterans' Home expenditures decreased between fiscal years 2016 and 2017 due to the Manteno Veterans' Home Fund not receiving any appropriations for a Program for Homeless Veterans at the Manteno Veterans' Home in fiscal year 2017.

Due to uncertainty in funding and the lack of a budget, permanent improvements expenditures were reduced in fiscal year 2016 and 2017. Fiscal year 2018 permanent improvement increased due to expenditures made for sidewalk additions at the Manteno Veterans' Home.

Refund expenditures increased between fiscal years 2017 and 2018 due to residents paying monthly maintenance fees in advance. Refunds are generated upon the death of a resident for the amount of days remaining in the month. It is not possible to estimate this annual expense and fluctuations are expected.

Veterans' Affairs State Projects - 0501

Central Office

Expenditures increased between fiscal years 2017 and 2018 due to a new program for Licensing of Qualified Veterans.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**ANALYSIS OF SIGNIFICANT VARIATIONS
IN RECEIPTS (Not Examined)**
For the Two Years Ended June 30, 2018

The Illinois Department of Veterans' Affairs (Department) explanations for significant fluctuations in receipts greater than \$100,000 and 20% of total receipts for that category as presented in the Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the Comptroller (Schedule 8) are detailed below.

ANALYSIS OF SIGNIFICANT VARIATIONS BETWEEN FISCAL YEARS 2017 AND 2018

Manteno Veterans' Home Fund (0980)

VA Reimbursements

The increase in VA Reimbursements during fiscal year 2018 is a result of a change in per diem calculations by the United States Department of Veterans' Affairs (USDVA). The Manteno Home receives per diem reimbursements from USDVA. Because of the change in per diem calculations, the Manteno Home was entitled to retroactively claim per diem amounts for veterans who were in the hospital or on home visits up to 10 consecutive days, even though the person was not physically in residence. This was income the Manteno Home was not able to collect before, resulting in increased reimbursement income in fiscal year 2018.

ANALYSIS OF SIGNIFICANT VARIATIONS BETWEEN FISCAL YEARS 2016 AND 2017

Manteno Veterans' Home Fund (0980)

Health & Human Services (Medicare)

The decrease in Medicare during fiscal year 2017 is due to decreased claims being filed with the Quincy Home. The Medicare reimbursements the Manteno Home received are filed by the Quincy Veterans' Home due to the personnel expertise with PointClickCare. The Manteno Home receives the reimbursements via direct deposit into their clearing account.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**ANALYSIS OF SIGNIFICANT LAPSE
PERIOD SPENDING (Not Examined)**
For the Two Years Ended June 30, 2018

The Illinois Department of Veterans' Affairs (Department) explanations for significant lapse period spending as presented in the Schedule of Appropriations, Expenditures and Lapsed Balances for fiscal years 2018 and 2017 (Schedules 1 and 2) are detailed below. For purposes of this analysis, significant lapse period spending is defined as \$20,000 and 20% or more of the total expenditures for the respective fiscal year.

Fiscal Year 2018

<u>Fund, Fund Number, and Explanation</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
Illinois Veterans' Assistance Fund - 0236 During lapse period, the Department's grant staff received five grant applications that were approved and processed, totaling approximately \$224,000.	\$669,894	\$244,400	36%
Manteno Veterans' Home Fund - 0980 The June 30, 2018 personal services and fringes of \$1,416,708, refunds of \$27,000, food service contract payments of \$236,678, equipment expenses of \$117,142 including 16 patient lifts, and repairs/maintenance expenses of \$459,551, including replacement of dietary walk-in cooler, hot water tanks, boiler controller, etc., were processed during the lapse period as well as other incidentals.	\$12,530,731	\$2,761,216	22%
Veterans' Affairs Library Grant Fund - 0775 The Department receives a grant for library spending each year from the Secretary of State (SOS). The unspent monies from this grant must be returned at the end of each fiscal year. At June 30, 2018, there was \$3,000 of unspent funds to be returned to SOS during the lapse period. The remaining \$17,000 in expenditures relates to funds for a Touch2Play technology/game unit, library media, media storage/labeling and subscriptions to periodicals during the final months of the fiscal year.	\$50,373	\$20,009	40%

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**ANALYSIS OF SIGNIFICANT LAPSE
PERIOD SPENDING (Not Examined)**
For the Two Years Ended June 30, 2018

Fiscal Year 2017

<u>Fund, Fund Number, and Explanation</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
<p>Illinois Veterans' Assistance Fund - 0236 During lapse period, the Department's grant staff received 5 grant applications that were approved and processed, totaling approximately \$240,000.</p>	\$984,495	\$239,952	24%
<p>LaSalle Veterans' Home Fund - 0272 Fiscal year 2017 was the first year-end the Department used the Enterprise Resource Planning (ERP) software, which is used now as the Department's accounting system. Due to this, the LaSalle Home was behind in their payment processing including the payroll costs as of June 30, 2017 of \$896,000 and contractual services of \$292,000 processed during lapse period.</p>	\$9,265,871	\$1,920,790	21%
<p>Anna Veterans' Home Fund - 0273 Fiscal year 2017 was the first year-end the Department used the ERP software. Due to this, the Anna Home was behind in their payment processing including the payroll costs as of June 30, 2017 of \$310,000.</p>	\$2,051,480	\$500,088	24%
<p>Quincy Veterans' Home Fund - 0619 Fiscal year 2017 was the first year-end the Department used the ERP software. Due to this, the Anna Home was behind in their payment processing including the payroll costs as of June 30, 2017 of \$1,931,563.</p>	\$16,492,679	\$3,244,469	20%
<p>Veterans' Affairs Library Grant Fund - 0775 The Department receives a grant for library spending each year from the Secretary of State. The unspent monies from this grant must be returned at the end of each fiscal year. As of June 30, 2017, there was \$21,000 of unspent funds to be returned to the Secretary of State during the lapse period.</p>	\$50,000	\$30,904	62%

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF ACCOUNTS RECEIVABLE (Not Examined)
June 30, 2018
(Expressed in Thousands)

The Department utilizes the Attorney General, a private collection agency, and the Comptroller's Offset System to collect receivables. An aging schedule of the Department's accounts receivable at June 30, 2018 is presented below:

Fund	Current	1 to 30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
LaSalle Veterans' Home Fund - 0272	\$ 646	\$ 14	\$ 6	\$ -	\$ 1	\$ 10	\$ 677
Anna Veterans' Home Fund - 0273	431	5	1	-	6	20	463
GI Education Fund - 0447	269	-	-	-	-	-	269
Quincy Veterans' Home Fund - 0619	1,244	2	-	-	1	-	1,247
Manteno Veterans' Home Fund - 0980	1,183	-	1,186	2	1	8	2,380
Quincy Members' Trust Fund - 1246	1	-	-	-	-	-	1
Total	<u>\$ 3,774</u>	<u>\$ 21</u>	<u>\$ 1,193</u>	<u>\$ 2</u>	<u>\$ 9</u>	<u>\$ 38</u>	5,037
Less: allowance for uncollectible accounts							<u>-</u>
Net Accounts Receivable							<u>\$ 5,037</u>

The amounts reported above include Due From Home Residents and Other Receivables.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF ACCOUNTS RECEIVABLE (Not Examined)
June 30, 2017
(Expressed in Thousands)

The Department utilizes the Attorney General, a private collection agency, and the Comptroller's Offset System to collect receivables. An aging schedule of the Department's accounts receivable at June 30, 2017 is presented below:

Fund	Current	1 to 30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
LaSalle Veterans' Home Fund - 0272	\$ 634	\$ 2	\$ 1	\$ -	\$ -	\$ 10	\$ 647
Anna Veterans' Home Fund - 0273	237	-	-	1	9	16	263
GI Education Fund - 0447	267	-	-	-	-	-	267
Quincy Veterans' Home Fund - 0619	1,220	4	1	-	-	3	1,228
Manteno Veterans' Home Fund - 0980	1,060	-	1,058	1	2	33	2,154
Quincy Members' Trust Fund - 1246	1	-	-	-	-	-	1
Total	<u>\$ 3,419</u>	<u>\$ 6</u>	<u>\$ 1,060</u>	<u>\$ 2</u>	<u>\$ 11</u>	<u>\$ 62</u>	4,560
Less: allowance for uncollectible accounts							<u>-</u>
Net Accounts Receivable							<u>\$ 4,560</u>

The amounts reported above include Due From Home Residents and Other Receivables.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
BUDGET IMPASSE DISCLOSURES (Not Examined)
For the Two Years Ended June 30, 2018

Payment of Prior Year Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Department to pay fiscal year 2016 costs using the Department's fiscal year 2017 appropriations for non-payroll expenditures. In addition, Article 998 of Public Act 100-0021 authorized the Department to pay its unpaid fiscal year 2016 and fiscal year 2017 costs using either the Department's fiscal year 2017 or fiscal year 2018 appropriations for non-payroll expenditures. All prior year invoices were paid from fiscal year 2018 invoices. The following chart shows the Department's payments of its prior period costs using future appropriations:

Outstanding Fiscal Year 2016 Invoices			
Paid from 2018 Appropriations			
Fund No.	Fund Name	Number	Dollar Value
0001	General Revenue	203	\$ 476,182

Outstanding Fiscal Year 2017 Invoices			
Paid from 2018 Appropriations			
Fund No.	Fund Name	Number	Dollar Value
0001	General Revenue	963	\$ 2,165,872

Finally, the Department's fiscal year 2016 and fiscal year 2017 costs accounted for within the Veterans' Affairs State Projects Fund (0501) and Veterans' Affairs Library Grant Fund (0775) were paid pursuant to nonappropriated funds. The Department did not have any outstanding unpaid invoices from either fiscal year 2016 or fiscal year 2017 after the closure of the fiscal year 2016 lapse period on August 31, 2016, and the closure of the fiscal year 2017 lapse period on September 30, 2017, respectively.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**
(Not Examined)
For the Two Years Ended June 30, 2018

Transactions Involving the Illinois Finance Authority

The Department and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during fiscal years 2017 and 2018.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

Vendor Payment Program (VPP)

In 2011, the State of Illinois (State) created the voluntary VPP in response to delays in payments for goods and services provided by the State's vendors arising from the State's cash flow deficit. The Department of Central Management Services (CMS) approved third party financing entities to act as "qualified purchasers" of accounts receivable from "participating vendors" who had submitted invoices which had not been paid by the State.

A participating vendor's accounts receivable is eligible for the VPP if it is from an invoice unpaid by the State that is (1) not for medical assistance payments (2) where 90 days have passed since the proper bill date, which is (3) entitled to interest under the State Prompt Payment Act (Act) (30 ILCS 540) and (4) free of any liens or encumbrances. Under the terms of an agreement between a qualified purchaser and the participating vendor, the participating vendor receives payment for 90% of the receivable balance. The participating vendor, in turn, assigns its rights to the interest due under the Act to the qualified purchaser. When the State Comptroller ultimately pays the invoice, the participating vendor receives the remaining 10% due (less any offsets).

Notably, while CMS approved the qualified purchasers and provided information to vendors about VPP, neither CMS nor the State are parties to the assignment agreements.

The Department stated no VPP transactions took place during fiscal year 2017. The following chart shows the Department's VPP transactions for fiscal year 2018:

Dollar Value	\$ 532
Vendors	1
Invoices	3

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**
(Not Examined)
For the Two Years Ended June 30, 2018

Vendor Support Initiative Program (VSI)

During fiscal year 2016, the State created the voluntary VSI as an alternative to the VPP for cases where the Department lacked an enacted appropriation or other legal expenditure authority to present invoices to the State Comptroller for payment. The VSI operated similarly to the VPP, although the Department was required to determine a participating vendor's invoice (1) would have met the requirements of the VPP and (2) provided the proper bill date of invoice prior to the qualified purchaser and participating vendor entering into an agreement where the participating vendor received payment for 90% of the receivable balance. The participating vendor, in turn, assigned its rights to the interest due under the Act to the qualified purchaser. After the State Comptroller ultimately paid/pays the invoice after the Department receives/received appropriations or other legal expenditure authority to pay the invoice, the participating vendor receives/received the remaining 10% due (less any offsets).

During fiscal years 2017 and 2018, none of the Department's vendors participated in the Vendor Support Initiative Program (VSI).

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
INTEREST COSTS ON INVOICES (Not Examined)
For the Two Years Ended June 30, 2018

Prompt Payment Interest Costs

The Department plans to calculate prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor's proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during fiscal year 2017. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Adm. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90th day after a vendor submits an eligible proper bill to the Department. The Department stated there was no prompt payment interest incurred related to 2017 invoices. The following chart shows the Department's prompt payment interest incurred related to 2018 invoices, calculated on the accrual basis of accounting, through June 30, 2018, by fund:

PROMPT PAYMENT INTEREST INCURRED				
Year Ended June 30, 2018				
Fund No.	Fund Name	Invoices	Unique Fund Vendors *	Dollar Value
0272	LaSalle Veterans' Home Fund	756	107	\$ 27,565
0273	Anna Veterans' Home Fund	57	34	1,776
0619	Quincy Veterans' Home Fund	468	126	22,530
0686	Budget Stabilization Fund	109	28	25,028
0980	Manteno Veterans' Home Fund	73	37	4,131
	Total	1,463	332	\$ 81,030

*Total unique vendors regardless of fund = 332

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
AVERAGE NUMBER OF EMPLOYEES (Not Examined)
For the Years Ended June 30, 2018, 2017, and 2016

The following table, prepared from Department records, presents the average number of employees for the fiscal years ended June 30, 2018, 2017, and 2016.

<u>Division</u>	Fiscal Year		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Central Office	38	38	48
Veterans Service Officers	68	70	68
Veterans' Home at Anna	71	71	72
Veterans' Home at Quincy	488	482	514
Veterans' Home at LaSalle	206	211	223
Veterans' Home at Manteno	311	308	322
Homeless Program at Manteno	8	8	8
State Approving Agency	6	7	6
Troops to Teachers	2	2	1
Total average full-time employees	<u>1,198</u>	<u>1,197</u>	<u>1,262</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANNUAL STATISTICS (Not Examined)
For the Years Ended June 30, 2018, 2017 and 2016

Anna Veterans' Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2018	2017	2016
Licensed capacity of Home	62	62	62
Funded capacity of Home	61	61	61
Daily average number of residents:			
Skilled care	47	48	49
Domiciliary	10	11	10
Average number of State employees	78	78.5	78.5
Ratio of employees to residents:			
Skilled care	1.66 to 1	1.63 to 1	1.60 to 1
Domiciliary**			

** Domiciliary care is not an area within the Homes that have skilled staff specifically assigned for care of the residents. Staff are used within Domiciliary care as needed.

COST PER RESIDENT

Costs of resident care fiscal years ended June 30:

	2018	2017	2016
Average healthcare spending per resident per year *	\$ 9,201	\$ 8,261	\$ 7,321
Average cost per resident per meal (excludes labor costs)	\$ 4.05	\$ 3.70	\$ 3.45
Average annual cost of meals per resident (excludes labor costs)	\$ 4,438	\$ 4,054	\$ 3,778
Average annual cost of care per resident:			
Skilled care	\$ 125,555	\$ 104,640	\$ 107,742

* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANNUAL STATISTICS (Not Examined)
For the Years Ended June 30, 2018, 2017 and 2016

Anna Veterans' Home (Continued)

INJURY STATISTICS

Injuries reported to the Illinois Department of Public Health for the fiscal years ended June 30:

	2018	2017	2016
Number of resident injuries	2	1	3

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans.

Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2018, with a comparison to the fiscal year ended June 30, 2016:

	2018	2017	2016
Nursing care:			
Number of admissions	25	17	29
Number of deaths	24	18	12
Number of discharges	2	1	1
Veteran days of care furnished	17,501	17,826	17,767
Domiciliary care:			
Number of admissions	5	7	6
Number of deaths	0	0	1
Number of discharges	2	2	5
Veteran days of care furnished	3,796	4,007	3,905

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANNUAL STATISTICS (Not Examined)
For the Years Ended June 30, 2018, 2017 and 2016

LaSalle Veterans' Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2018	2017	2016
Licensed capacity of Home	200	200	200
Funded capacity of Home	184	184	184
Daily average number of residents:			
Skilled care	175	177	178
Average number of State employees	208	211	256
Ratio of employees to residents:			
Skilled care	1.19 to 1	1.19 to 1	1.44 to 1

COST PER RESIDENT

Costs of resident care fiscal years ended June 30:

	2018	2017	2016
Average healthcare spending per resident per year *	\$ 6,663	\$ 6,422	\$ 6,141
Average cost per resident per meal (excludes labor costs)	\$ 4.03	\$ 3.84	\$ 3.74
Average annual cost of meals per resident (excludes labor costs)	\$ 4,417	\$ 4,207	\$ 4,084
Average annual cost of care per skilled care resident	\$ 121,072	\$ 112,145	\$ 113,555

* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

INJURY STATISTICS

Injuries reported to the Illinois Department of Public Health for the fiscal years ended June 30:

	2018	2017	2016
Number of resident injuries	22	22	14

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANNUAL STATISTICS (Not Examined)
For the Years Ended June 30, 2018, 2017 and 2016

LaSalle Veterans' Home (Continued)

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans. Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2018, with a comparison to the fiscal year ended June 30, 2016:

	2018	2017	2016
Nursing Care:			
Number of admissions	109	91	90
Number of deaths	107	89	79
Number of discharges	2	3	5
 Veteran days of care furnished	 64,938	 65,832	 66,185

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANNUAL STATISTICS (Not Examined)
For the Years Ended June 30, 2018, 2017 and 2016

Manteno Veterans' Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2018	2017	2016
Licensed capacity of Home	340	340	340
Funded capacity of Home	294	294	294
Daily average number of residents:			
Skilled care	284	288	289
Average number of State employees	316	312	359
Ratio of employees to residents:			
Skilled care	1.11 to 1	1.08 to 1	1.24 to 1

COST PER RESIDENT

Costs of resident care fiscal years ended June 30:

	2018	2017	2016
Average healthcare spending per resident per year *	\$ 7,488	\$ 6,999	\$ 6,829
Average cost per resident per meal (dietary contract includes labor costs)	\$ 9.05	\$ 9.03	\$ 8.28
Average annual cost of meals per resident (dietary contract includes labor costs)	\$ 9,915	\$ 9,892	\$ 9,078
Average annual cost of care per skilled care resident	\$ 118,006	\$ 118,502	\$123,092

* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

INJURY STATISTICS

Injuries reported to the Department of Public Health for the fiscal years ended June 30:

	2018	2017	2016
Number of resident injuries	31	31	28

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANNUAL STATISTICS (Not Examined)
For the Years Ended June 30, 2018, 2017 and 2016

Manteno Veterans' Home (Continued)

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans.

Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2018, with a comparison to the fiscal year ended June 30, 2016:

	2018	2017	2016
Nursing Care:			
Number of admissions	157	134	122
Number of deaths	148	126	109
Number of discharges	8	7	6
 Veteran days of care furnished	 105,485	 104,755	 105,638

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANNUAL STATISTICS (Not Examined)
For the Years Ended June 30, 2018, 2017 and 2016

Quincy Veterans' Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2018	2017	2016
Licensed capacity of Home *	551	551	551
**	132	132	132
Funded capacity of Home *	382	382	382
**	132	132	132
Daily average number of residents:			
Skilled care	315	329	357
Domiciliary	38	30	35
Average number of State employees	508	502	520
Ratio of employees to residents:			
Skilled care	1.61 to 1	1.53 to 1	1.46 to 1
Domiciliary***			

* Nursing home care

** Domiciliary care

*** Domiciliary care is not an area within the Homes that have skilled staff specifically assigned for care of the residents. Staff are used within Domiciliary care as needed.

COST PER RESIDENT

Costs of resident care fiscal years ended June 30:

	2018	2017	2016
Average healthcare spending per resident per year *	\$ 6,931	\$ 6,488	\$ 6,326
Average cost per resident per meal (excludes labor costs)	\$ 2.71	\$ 2.53	\$ 2.41
Average annual cost of meals per resident (excludes labor costs)	\$ 2,968	\$ 2,771	\$ 2,639
Average annual cost of care per resident:			
Skilled care	\$ 150,972	\$ 135,107	\$ 123,541

* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANNUAL STATISTICS (Not Examined)
For the Years Ended June 30, 2018, 2017 and 2016

Quincy Veterans' Home (Continued)

INJURY STATISTICS

Injuries reported to the Illinois Department of Public Health for the fiscal years ended June 30:

	2018	2017	2016
Number of resident injuries	47	39	38

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans.

Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2018, with a comparison to the fiscal year ended June 30, 2016:

	2018	2017	2016
Nursing Care:			
Number of admissions	120	101	125
Number of deaths	122	103	110
Number of discharges	19	20	11
Veteran days of care furnished	103,236	110,360	111,464
Domiciliary care:			
Number of admissions	7	1	1
Number of deaths	-	-	-
Number of discharges	1	1	5
Veteran days of care furnished	5,393	4,243	4,981

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANNUAL STATISTICS (Not Examined)
For the Years Ended June 30, 2018, 2017 and 2016

Prince Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2018	2017	2016
Licensed capacity of Home	16	15	15
Daily average number of residents	14	14	14
Average number of State employees	10	10	10
Ratio of employees to residents	.7 to 1	.7 to 1	.7 to 1

VETERANS SERVED

The purpose of the Home is to provide assistance to Illinois veterans. Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2018, with a comparison to the fiscal year ended June 30, 2016:

	2018	2017	2016
Number of admissions	10	16	9
Number of releases:	13	14	16
Graduation (successful completion)	3	1	6
Involuntary discharge	2	3	-
Voluntary termination from program	8	10	10

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
EMERGENCY PURCHASES (Not Examined)
For the Years Ended June 30, 2017 and 2018

The Department reported the following emergency purchases during fiscal years 2017 and 2018:

Fiscal Year	Vendor	Description	Estimated Amount	Actual Amount
2017	Phigenics LLC	An extension for the emergency purchase of water testing until August 31, 2017. The emergency purchase was filed to increase the estimated cost.	\$ 650,000	\$ 578,751
			<u>\$ 650,000</u>	<u>\$ 578,751</u>
2018	OmniCare, Inc.	The Illinois Department of Veterans' Affairs (IDVA) experienced a total disruption of their computer system. The disruption, in turn, affected the ability of two IDVA's Homes to fill the prescription medication needs of its residents. IDVA needed the assistance of OmniCare to provide prescription medication and labeling that allowed IDVA to fulfill needed medical prescriptions.	\$ 600,000	\$ 409,146
	Ecolab, Inc.	Due to the outbreak of Legionella disease at the Quincy Veterans' Home campus, it was required all of the bath tubs in all units be disinfected several times a day to eliminate the automatic disinfectant injector and tub water of the bacteria. This contract was for the mandated purchase of Ecolab Pro Oasis 20, surface disinfectant.	200,000	110,827
	Unicor	The Quincy Veterans' Home sought an emergency purchase of Pall sink filters. All faucets on campus were replaced as part of the on-going goal to eradicate legionella bacteria in the water system. Once faucets were replaced, filters were immediately put on every faucet.	300,000	N/A
	Ottsie, LLC	The Quincy Veterans' Home needed to replace all 630 faucets on campus as soon as possible. To that end, multiple vendors were sought out to provide faucets that the vendors have in stock that fit the faucet criteria as the installation needs to be done immediately. All faucets need to be replaced as part of the on-going goal to eradicate legionella bacteria in the water system. Once faucets have been replaced, filters will immediately be put on every faucet.	100,000	N/A

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
EMERGENCY PURCHASES (Not Examined)
For the Years Ended June 30, 2017 and 2018

The Department reported the following emergency purchases during fiscal years 2017 and 2018:

Fiscal Year	Vendor	Description	Estimated Amount	Actual Amount
2018	Prairie State Plumbing & Heating Inc. and Sparrow Plumbing and Heating	The Department needed to replace all faucets at the Quincy Veterans' Home as soon as possible. To that end, if needed, Sparrow Plumbing & Heating Inc. will be hired to help install the faucets that cannot be installed in a timely manner by the internal plumbers and engineers. Additionally, to replace the faucets faster, Prairie State Plumbing & Heating Inc. will be hired to help install the faucets as well. The Department needs 630 faucets as soon as possible. All faucets need to be replaced as part of the on-going goal to eradicate legionella bacteria in the water system. Once faucets are replaced, filters will immediately be put on every faucet.	\$ 200,000	\$ 110,145
	Unicor	The Quincy Veterans' Home sought an emergency purchase of Pall filters for all point of contact water on campus. This includes tubs, ice machines and water drinking fountains. Filters will be used and replaced as needed as part of our on-going goal to eradicate legionella bacteria in the water system.	200,000	N/A
		Total	<u>\$ 1,600,000</u>	<u>\$ 630,118</u>

NA= Not Available

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFIARS
MEMORANDUM OF UNDERSTANDING (Not Examined)
For the Fiscal Years Ended June 30, 2017 and 2018

Parties Involved Other Than the Illinois Department of Veterans' Affairs (Department)	Dates Involved	Memorandum Requirements Description
Illinois Department of Innovation and Technology (DoIT)	7/1/2017 - 6/30/2018	The Department and DoIT, pursuant to the Intergovernmental Cooperation Act (5 ILCS 220/1), entered into an Interagency Agreement in connection with the payment of an employee's salary. The purpose of this agreement is to designate that the Department shall pay two-thirds of the employee's salary while DoIT will be responsible for one-third of the employee's salary (including healthcare, disability, insurance, retirement, and similar benefits).
Illinois Joining Forces (IJF)	N/A	The purpose of this Memorandum of Understanding ("MOU") is to formalize the relationship between the Parties: Illinois Joining Forces ("IJF") and Department, setting forth the guidelines of what IJF can reasonably expect from the Department that constitutes "reasonable assistance" as set forth in the Department of Veterans' Affairs Act (20 ILCS 2805/37).
Illinois Department of Human Services (IDHS)	N/A	The Department and IDHS, pursuant to the Intergovernmental Cooperation Act (5 ILCS 220/1), entered into an Interagency Agreement in connection with procurement services. The purpose of the agreement is to designate that IDHS will provide the Department with timely procurement services in accordance with all applicable State Statutes and rules for all non-procurement Code services.
U.S. Department of Veterans' Affairs (VA)	N/A	The Department submitted to the VA an application for a grant to repair the Heat Plant Building (Coal Handler) for veterans in the Illinois State Veterans' Home in Adams County, Quincy, Illinois (FAI 17-047). The parties agree that this application meets the requirements of Federal law for this grant. The estimated total cost in which VA will participate is \$447,225. The VA grant will total up to \$290,696, but will not exceed 65% of the actual cost to repair the Heat Plant Building (Coal Handler) as determined by the final audit.

N/A = Dates not defined in the agreement. The agreement will remain in effect until it is modified and/or terminated by the participants.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFIARS
MEMORANDUM OF UNDERSTANDING (Not Examined)
For the Fiscal Years Ended June 30, 2017 and 2018

Parties Involved Other Than the Illinois Department of Veterans' Affairs (Department)	Dates Involved	Memorandum Requirements Description
U.S. Department of Veterans' Affairs (VA)	N/A	The Department submitted to the VA an application for a grant to install a Fire Suppression System for veterans in the Quincy Veterans' Home in Adams County, Quincy, Illinois (FAI17-048). The parties agree that this application meets the requirements of federal law for this grant. The estimated total cost in which the VA will participate is \$1,974,100. The VA grant will total \$1,283,165 but will not exceed 65% of the actual cost to install a Fire Suppression System as determined by the final audit.
Illinois Department of Employment Security (IDES)	7/1/2017 - 6/30/2018	The Department and IDES, pursuant to the Intergovernmental Cooperation Act (5 ILCS 220/1), entered into an Interagency Agreement in connection to support the hiring and recruitment of Illinois veterans by relaunching the Illinois Hires Heroes Consortium (IHHC). The purpose of this agreement is to designate that the Department shall provide resources to IDES including the expertise, skills, and experience of its staff to administer the IHHC program.
Kankakee Area Career Center (KACC)	8/16/2017 - 5/22/2018	This MOU establishes and formalizes the business relationship between KACC and the Department in support of the Certified Nurse Assistant Training Program.
Illinois Department of Military Affairs	9/28/2015 - 9/30/2016	To grant permission to the Department for use of Illinois Military Academy training areas. The Department certifies that all training will be conducted under the supervision of competent instructors, or that all participants themselves are employees of the Department and are themselves experts, and that proper safety precautions will be strictly adhered to at all times. The Department further certifies the above training area(s) will be used solely for the purposes authorized herein, and all participants will be restricted to the authorized training area(s).

N/A = Dates not defined in the agreement. The agreement will remain in effect until it is modified and/or terminated by the participants.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFIARS
MEMORANDUM OF UNDERSTANDING (Not Examined)
For the Fiscal Years Ended June 30, 2017 and 2018

Parties Involved Other Than the Illinois Department of Veterans' Affairs (Department)	Dates Involved	Memorandum Requirements Description
Illinois Department of Military Affairs	7/12/2016 - 7/13/2016	To grant permission to the Department for use of Illinois Military Academy training areas. The Department certifies that all training will be conducted under the supervision of competent instructors, or that all participants themselves are employees of the Department and are themselves experts, and that proper safety precautions will be strictly adhered to at all times. The Department further certifies the above training area(s) will be used solely for the purposes authorized herein, and all participants will be restricted to the authorized training area(s).
LaSalle-Peru Career Center (LPCC)	8/16/2017 - 6/30/2018	This MOU establishes and formalizes the business relationship between LPCC and the Department in support of the Certified Nurse Assistant Training Program.
Illinois Capital Development Board (CDB)	11/29/2016 - 12/31/2017	The Department and CDB, pursuant to the Intergovernmental Cooperation Act (5 ILCS 220/1), entered into an Interagency Agreement in connection with the replacement of roofing for the Quincy Veterans' Home. The purpose of this agreement is to designate the Department as a sub-contractor of CDB and to authorize the Department to perform the projects. CDB desires to appoint the Department for the design and construction supervision of such projects.
Illinois Capital Development Board (CDB)	11/29/2016 - 12/31/2017	The Department and CDB, pursuant to the Intergovernmental Cooperation Act (5 ILCS 220/1), entered into an Interagency Agreement in connection with the replacement of roofing for the LaSalle Veterans' Home. The purpose of this agreement is to designate the Department as a sub-contractor of CDB and to authorize the Department to perform the projects. CDB desires to appoint the Department for the design and construction supervision of such projects.
Illinois Secretary of State (SOS)	N/A	To create an understanding between the Department and Secretary of State in regard to the issuance of licenses for qualifying veterans.

N/A = Dates not defined in the agreement. The agreement will remain in effect until it is modified and/or terminated by the participants.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFIARS
MEMORANDUM OF UNDERSTANDING (Not Examined)
For the Fiscal Years Ended June 30, 2017 and 2018

Parties Involved Other Than the Illinois Department of Veterans' Affairs (Department)	Dates Involved	Memorandum Requirements Description
U.S. Department of Veterans' Affairs (VA)	7/22/2015 - 7/22/2016	This is a "pass through" connection only for the Department to connect their desktop/laptop equipment located on VA property at the VA Medical Center, Marion, Illinois and VA Community Based Outpatient Clinics to the Department's main offices. The Department will have no access to protected health information belonging to the VA Systems through this connection. This connection is for pass through only by the Department to allow Department desktop/laptop equipment to connect through the VA to the Department servers.
Department of Defense Troops to Teachers Program (DoD)(TTT) Program	N/A	The TTT Program is authorized to: 1) recruit and assist eligible members of the Armed Forces to meet requirements necessary to become teachers in eligible schools; and to facilitate the employment of such members by certain local educational agencies and public charter schools, in elementary or secondary schools, or as career or technical teachers. The purpose of this MOU is to facilitate a collaborative partnership between the Department and the DoD TTT Program to assist in the recruitment, counseling, and placement of eligible veterans and service members to serve as teachers in our nation's classrooms. In particular, this MOU describes Department responsibilities in a support capacity for DoD relative to the TTT Program, as well as DoD's responsibilities regarding support and collaboration with the Department on these matters.

N/A = Dates not defined in the agreement. The agreement will remain in effect until it is modified and/or terminated by the participants.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFIARS
MEMORANDUM OF UNDERSTANDING (Not Examined)
For the Fiscal Years Ended June 30, 2017 and 2018

Parties Involved Other Than the Illinois Department of Veterans' Affairs (Department)	Dates Involved	Memorandum Requirements Description
Illinois Department of Human Services, Illinois Department of Aging, Illinois Department of Healthcare and Family Services, Illinois Department of Commerce and Economic Development, Illinois Department of Employment Security, Illinois Department of Public Health, Illinois Department of Children and Family Services, Illinois Department of Corrections, Illinois Department of Juvenile Justice, Illinois Department of Central Management Services, Illinois Department of Innovation and Technology, and Illinois State Board of Education	5/4/2016 - 5/4/2017	This Enterprise Memorandum of Understanding (E-MOU) establishes members of the Illinois Health and Human Services Leadership Transformation Committee. All thirteen State agencies involved may securely exchange data as permitted or by required applicable law in order to increase the efficiency and effectiveness of programs they operate for the benefit of citizens and the State of Illinois.

N/A = Dates not defined in the agreement. The agreement will remain in effect until it is modified and/or terminated by the participants.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For the Years Ended June 30, 2018 and 2017

Department of Veterans' Affairs
(Appropriated Spending in Thousands)

<u>Reporting Programs</u>	<u>FY 2017</u>		<u>FY 2018</u>	
	<u>Expenditures</u>	<u>Headcount</u>	<u>Expenditures</u>	<u>Headcount</u>
Illinois Veterans' Home Quincy	\$ 45,125.6	419.7	\$ 48,462.1	508.1
Illinois Veterans' Home Manteno	\$ 34,117.0	311.7	\$ 33,513.6	316.2
Illinois Veterans' Home LaSalle	\$ 20,129.9	210.4	\$ 21,713.0	207.9
Illinois Veterans' Home Anna	\$ 6,307.2	70.5	\$ 7,801.1	69.8
Field Services Division Awards/Grants/Records Section	\$ 4,570.3	71.5	\$ 5,790.7	69.3
State Approving Agency	\$ 1,557.8	8.0	\$ 1,260.0	8.0
Prince Homeless Program in Manteno	\$ 1,117.3	6.2	\$ 1,098.3	6.2
	\$ 659.5	8.0	\$ 661.8	9.0
Agency Totals	\$ 113,584.6	1,106.0	\$ 120,300.6	1,194.5

The mission of the Department is to empower Illinois' veterans, as well as their dependents and survivors, to thrive by assisting them in obtaining the benefits to which they are entitled; by providing long term health care for eligible veterans; and by partnering with other agencies and non-profits to help veterans address education, mental health, housing, employment, and other challenges. The Field Services division runs 80 full-time and part-time field offices servicing the 102 counties of the State to assist veterans and their families in navigating and applying for Federal, State, and local resources. The Grants section administers State benefits including: education grants, housing grants, burial benefits, no-fee recreational permits, and bonuses for wartime service. The Department operates Veterans' Homes in Quincy, Manteno, LaSalle, and Anna to provide skilled nursing and domiciliary care for eligible veterans. The State Approving Agency program approves and audits veterans' education and training programs available from colleges, universities, and vocational training centers in Illinois. Finally, the Central Office administers or supports several unique programs, including the Illinois Warrior Assistance Program, the Prince Home, the Veterans Cash Program, and initiatives regarding unemployment, entrepreneurship, women veterans, and partnerships with agencies and non-profits.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For the Years Ended June 30, 2018 and 2017

Awards/Grants/Records Section

Mission Statement: Administers numerous awards and state grants to assist veterans with their financial responsibilities, physical disabilities, employment opportunities and other special services. Service includes grants for special adapted housing, awards and scholarships for primary, secondary and post-secondary education at many state schools, colleges and universities for veterans' dependents; bonus payments for wartime service for Illinois veterans and their families; free hunting and fishing licenses for disabled veterans; as well as free camping permits for certain disabled veterans and payment for setting a government headstone or marker for a deceased veteran. Also assists veterans in overcoming PTSD, homelessness, disability, long-term care and health insurance by awarding grants to organizations that address these issues.

Program Goals:
Objectives:

1. Administration of awards and grants as mandated by state statute.
 - ^a Number of grant applications received from veterans is subject to dwindling eligibility pools.
 - ^b Veterans' Assistance Fund (VAF) target adjusted to reflect Grant Committee goal of granting for impact rather than granting to large numbers of organizations.

Funds: General Revenue Fund, Illinois Veterans Assistance Fund, Illinois Affordable Housing Trust Fund, Illinois Military Family Relief Fund

Statutory Authority: 20 ILCS 2805/2

	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Actual</u>	<u>Fiscal Year 2018 Target /Projected</u>	<u>Fiscal Year 2018 Actual</u>	<u>Fiscal Year 2019 Target /Projected</u>
<u>Input Indicators</u>					
• Total expenditures - all sources (in thousands)	\$ 905.5	\$ 1,1557.8	\$ 1,450.0	\$ 1,260.0	\$ 1,350.0
• Total expenditures - state appropriated funds (in thousands)	\$ 902.8	\$ 1,1557.8	\$1,425.0	\$ 1,260.0	\$ 1,350.0
• Average monthly full-time equivalents	8.8	8.0	9.0	8.0	8.0
<u>Output Indicators</u>					
• Number of claims received and processed	4,402	4,749	4,900	4,865	4,900
• Number of special services provided	125,645	122,155	150,000	60,653	75,000
• Number of grantees for VAF	27.0	27.0	28.0	26.0	27.0
<u>Outcome Indicators</u>					
• Percentage change in number of claims received and processed	-14.9%	7.9%	3.2%	1.6%	1.6%
• Percentage change in number of special services	-32.4%	-2.7%	22.8%	-50.3%	23.8%
• Percentage change in number of grantees for VAF	-27%	0%	3.7%	-3.7%	3.8%

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For the Years Ended June 30, 2018 and 2017

Field Services Section

Mission Statement: To assist veterans in navigating the complex web of federal, state and local resources and benefits available to them. To help them increase monthly income through federal funds, as well as helping them to avert the downward spiral into poverty, substance abuse and homelessness.

Program Goals:

Objectives:

1. Assist veterans in obtaining federal and state benefits.
 - ^a Increase number of federal and state claims filed.
 - ^b Increase federal funds to Illinois.
2. To provide service to veterans, their dependents and survivors.
 - ^a Increase number of veterans contacted and served.

Funds: General Revenue Fund

Statutory Authority: 20 ILCS 2805/2

	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Target /Projected	Fiscal Year 2018 Actual	Fiscal Year 2019 Target /Projected
<u>Input Indicators</u>					
• Total expenditures - all sources (in thousands)	\$ 4,415.2	\$ 4,570.3	\$ 4,500.0	\$ 5,790.7	\$ 5,800.0
• Total expenditures - state appropriated funds (in thousands)	\$ 4,415.2	\$ 4,570.3	\$ 4,500.0	\$ 5,790.7	\$ 5,800.0
• Average monthly full-time equivalents	74.0	71.5	74.0	69.3	69.0
<u>Output Indicators</u>					
• Number of federal and state applications submitted for benefits	37,119	41,119	43,000	32,676	38,000
• Number of outreach events	279.0	305.0	315.0	230.0	275.0
• Number of veterans served	143,971	153,971	160,000	113,897	135,000
<u>Outcome Indicators</u>					
• Percentage change in number of federal and state applications submitted	3.8%	10.8%	4.6%	-20.5%	16.2%
• Percentage change in number of outreach events	51.6%	9.3%	3.3%	-24.6%	19.6%
• Percentage change in number of veterans served	18.2%	6.9%	3.9%	-26%	18.5%
<u>Efficiency/Cost-Effectiveness</u>					
• Federal dollars returned to economy resulting from claims filed with U.S. Department of Veterans' Affairs (in thousands)	\$ 42,255.5	\$ 42,655.5	\$43,500.0	\$ 47,392.1	\$ 48,500.0

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For the Years Ended June 30, 2018 and 2017

Illinois Veterans' Home Anna

Mission Statement: To provide quality long-term skilled nursing and domiciliary care to eligible residents.

Program Goals:

Objectives:

1. To provide skilled long-term nursing care to Illinois veterans and their spouses residing at the Illinois Veterans' Home in Anna.
 - ^a Provide the number of hours of skilled care to meet the sufficient medical needs of each resident per day.
 - ^b Decrease Illinois Department of Public Health reportable incidents.
 - ^c Maintain funded daily census.
2. Improve efficiency of providing services.

Funds: General Revenue Fund, Anna Veterans' Home Fund

Statutory Authority: 20 ILCS 2805/2 – 2805/2.06

	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Target /Projected	Fiscal Year 2018 Actual	Fiscal Year 2019 Target /Projected
<u>Input Indicators</u>					
• Total expenditures - all sources (in thousands)	\$ 6,496.8	\$ 6,307.2	\$ 6,550.0	\$ 7,801.1	\$ 7,800.0
• Total expenditures - state appropriated funds (in thousands)	\$ 6,496.8	\$ 6,307.2	\$ 6,548.0	\$ 7,801.1	\$ 7,800.0
• Average monthly full-time equivalents	73.4	70.5	73.0	69.8	72.0
<u>Output Indicators</u>					
• Average Daily Census	47.5	46.9	47.0	46.0	47.0
• Number of nursing hours per resident	4.0	3.8	4.0	4.0	4.1
• Number of IDPH reportable incidents	9.0	4.0	0	1.0	0
<u>Outcome Indicators</u>					
• Percentage change in average daily census	-0.4%	-1.2%	0.2%	-0.2%	2.1%
• Percentage change in IDPH reportable incidents	80%	-55.6%	-100%	-75%	-100%
<u>Efficiency/Cost-Effectiveness</u>					
• Federal per diem revenues (in thousands)	\$ 2,998.8	\$ 2,876.8	\$ 3,100.0	\$ 2,543.2	\$ 2,750.0

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For the Years Ended June 30, 2018 and 2017

Illinois Veterans' Home LaSalle

Mission Statement: To provide quality long-term skilled nursing and domiciliary care to eligible residents.

Program Goals:

Objectives:

1. To provide skilled long-term nursing care to Illinois veterans residing at the Illinois Veterans' Home in LaSalle.
 - ^a Provide the number of hours of skilled care to meet the sufficient medical needs of each resident per day.
 - ^b Decrease Illinois Department of Public Health reportable incidents.
 - ^c Maintain funded daily census.
2. Improve efficiency of providing services.

Funds: General Revenue Fund, LaSalle Veterans' Home Fund

Statutory Authority: 20 ILCS 2805/2 – 2805/2.06

	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Target /Projected	Fiscal Year 2018 Actual	Fiscal Year 2019 Target /Projected
<u>Input Indicators</u>					
• Total expenditures - all sources (in thousands)	\$ 20,648.5	\$ 20,129.9	\$ 20,348.0	\$ 21,713.0	\$ 22,500.0
• Total expenditures - state appropriated funds (in thousands)	\$ 20,648.5	\$ 20,129.9	\$ 20,330.0	\$ 21,713.0	\$ 22,500.0
• Average monthly full-time equivalents	228.3	210.4	235.0	207.9	215.0
<u>Output Indicators</u>					
• Average Daily Census	177.7	177.3	180.0	175.2	180.0
• Number of nursing hours per resident	3.6	3.7	3.7	3.8	3.9
• Number of IDPH reportable incidents	18.0	14.0	0	13.0	0
<u>Outcome Indicators</u>					
• Percentage change in average daily census	0.7%	-0.2%	1.5%	-1.2%	2.7%
• Percentage change in IDPH reportable incidents	20%	-22.2%	-100%	-7.2%	-100%
<u>Efficiency/Cost-Effectiveness</u>					
• Federal per diem revenues (in thousands)	\$ 7,567.5	\$ 7,633.4	\$ 7,710.0	\$ 7,579.1	\$ 7,750.0

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For the Years Ended June 30, 2018 and 2017

Illinois Veterans' Home Manteno

Mission Statement: To provide quality long-term skilled nursing and domiciliary care to eligible residents.

Program Goals:

Objectives:

1. To provide skilled long-term nursing care to Illinois veterans and their spouses residing at the Illinois Veterans' Home in Manteno.
 - ^a Provide the number of hours of skilled care to meet the sufficient medical needs of each resident per day.
 - ^b Decrease Illinois Department of Public Health reportable incidents.
 - ^c Maintain funded daily census.
2. Improve efficiency of providing services.

Funds: General Revenue Fund, Illinois Veterans' Assistance Fund, Veterans' Affairs Federal Projects Fund, Manteno Veterans' Home Fund

Statutory Authority: 20 ILCS 2805/2 – 2805/2.06

	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Actual</u>	<u>Fiscal Year 2018 Target /Projected</u>	<u>Fiscal Year 2018 Actual</u>	<u>Fiscal Year 2019 Target /Projected</u>
<u>Input Indicators</u>					
• Total expenditures - all sources (in thousands)	\$ 34,066.8	\$ 34,117.0	\$ 34,500.0	\$ 33,513.6	\$ 34,500.0
• Total expenditures - state appropriated funds (in thousands)	\$ 34,066.8	\$ 34,117.0	\$ 34,489.0	\$ 33,513.6	\$ 34,500.0
• Average monthly full-time equivalents	321.7	311.7	325.0	316.2	325.0
<u>Output Indicators</u>					
• Average Daily Census	288.7	287.9	290.0	284.3	290.0
• Number of nursing hours per resident	3.5	3.4	3.5	3.4	3.5
• Number of IDPH reportable incidents	26.0	30.0	0	22.0	0
<u>Outcome Indicators</u>					
• Percentage change in average daily census	2.1%	-0.8%	0.7%	-1.2%	2%
• Percentage change in IDPH reportable incidents	0%	15.4%	-100%	-26.7%	-100%
<u>Efficiency/Cost-Effectiveness</u>					
• Federal per diem revenues (in thousands)	\$ 11,910.3	\$ 11,908.3	\$ 12,030.0	\$ 13,346.4	\$ 13,500.0

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For the Years Ended June 30, 2018 and 2017

Illinois Veterans' Home Quincy

Mission Statement: To provide quality long-term skilled nursing and domiciliary care to eligible residents.

Program Goals:

Objectives:

1. To provide skilled long-term nursing care to Illinois veterans and their spouses residing at the Illinois Veterans' Home in Quincy.
 - ^a Provide the number of hours of skilled care to meet the sufficient medical needs of each resident per day.
 - ^b Decrease Illinois Department of Public Health reportable incidents.
 - ^c Maintain funded daily census.
2. Improve efficiency of providing services.

Funds: General Revenue Fund, Quincy Veterans' Home Fund

Statutory Authority: 20 ILCS 2805/2 – 2805/2.06

	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Target /Projected	Fiscal Year 2018 Actual	Fiscal Year 2019 Target /Projected
<u>Input Indicators</u>					
• Total expenditures - all sources (in thousands)	\$ 50,160.2	\$ 45,1256	\$ 46,250.0	\$ 48,462.1	\$ 48,500.0
• Total expenditures - state appropriated funds (in thousands)	\$ 50,160.2	\$ 45,1256	\$ 46,236.0	\$ 48,462.1	\$ 48,500.0
• Average monthly full-time equivalents	504.0	419.7	445.0	508.1	510.0
<u>Output Indicators</u>					
• Average Daily Census	350.5	328.5	335.0	314.8	325.0
• Number of nursing hours per resident	3.8	3.9	3.9	4.0	4.1
• Number of IDPH reportable incidents	29.0	24.0	0	26.0	0
<u>Outcome Indicators</u>					
• Percentage change in average daily census	-2.1%	-6.7%	2%	-4.2%	3.2%
• Percentage change in IDPH reportable incidents	38.1%	-17.2%	-100%	8.3%	-100%
<u>Efficiency/Cost-Effectiveness</u>					
• Federal per diem revenues (in thousands)	\$ 13,688.1	\$ 14,331.1	\$ 14,500.0	\$ 14,133.7	\$ 14,450.0

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For the Years Ended June 30, 2018 and 2017

Prince Homeless Program in Manteno

Mission Statement: The Department of Veterans' Affairs houses and equips homeless veterans for successful transition to self-sufficiency.

Program Goals:

Objectives:

1. Provide veterans with life skills necessary for self-sufficiency.
^a Increase number of graduations from the Homeless Program.
2. Assist veterans in obtaining employment.
^a Increase number of veterans earning income.

Funds: General Revenue Fund, Illinois Veterans' Assistance Fund
Manteno Veterans' Home Fund

Statutory Authority: 20 ILCS 2805/2 –
2805/2.06

	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Actual</u>	<u>Fiscal Year 2018 Target /Projected</u>	<u>Fiscal Year 2018 Actual</u>	<u>Fiscal Year 2019 Target /Projected</u>
<u>Input Indicators</u>					
• Total expenditures - all sources (in thousands)	\$ 652.0	\$ 659.5	\$ 665.0	\$ 661.8	\$ 675.0
• Total expenditures - state appropriated funds (in thousands)	\$ 652.0	\$ 659.5	\$ 665.0	\$ 661.8	\$ 675.0
• Average monthly full-time equivalents	7.0	8.0	8.0	9.0	9.0
<u>Output Indicators</u>					
• Yearly number of admissions to residential program	12.0	13.0	15.0	11.0	12.0
• Yearly number of discharges due to graduation	1.0	2.0	2.0	6.0	2.0
• Average number of veterans impacted with supplemental support services each month	19.3	19.4	20.0	19.3	20.0
<u>Outcome Indicators</u>					
• Percentage change in number of admissions to residential program	-29.4%	8.3%	15.4%	-15.4%	9.1%
• Percentage change in number of discharges due to graduation	-50%	100%	0%	300%	-67.3%
• Percentage change in number of veterans impacted with supplemental support services	8.1%	-0.5%	3.1%	-1%	3.6%

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For the Years Ended June 30, 2018 and 2017

State Approving Agency

Mission Statement: To equip veterans for successful educational experiences by training, certifying, and auditing higher education, vocational and job training programs for receipt of GI Bill funding.

Program Goals:
Objectives:

1. Actively encourage and promote the increased usage of GI Bill benefits through a vigorous and aggressive outreach program, and ensure quality and assist the educational institutions and eligible persons by providing in-depth technical assistance, outreach, and liaison with all related organization, agencies, individuals and activities.
2. Conduct compliance survey visits to schools and educational facilities.
^a Meet compliance audit requirements of the federal contract.
3. Provide technical assistance to educational institutions and vocational and job-training programs for receipt of GI Bill funding.
^a Increase technical assistance visits.

Funds: GI Education Fund

Statutory Authority: 38 U.S.C. 3671 (a)

	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Actual</u>	<u>Fiscal Year 2018 Target /Projected</u>	<u>Fiscal Year 2018 Actual</u>	<u>Fiscal Year 2019 Target /Projected</u>
<u>Input Indicators</u>					
•Total expenditures - all sources (in thousands)	\$ 1,000.2	\$ 1,117.3	\$ 1,128.5	\$ 1,098.3	\$ 1,150.0
•Total expenditures - state appropriated funds (in thousands)	\$ 1,000.2	\$ 1,117.3	\$ 1,128.5	\$ 1,098.3	\$ 1,150.0
•Average monthly full-time equivalents	7.8	6.2	8.0	6.2	7.0
<u>Output Indicators</u>					
•Number of compliance visits	83.0	83.0	85.0	89.0	90.0
•Number of schools assisted with GI Bill approval process via email/phone	7,224	7,529	7,700	6,608	6,900
•Number of technical visits	77.0	79.0	80.0	88.0	90.0
<u>Outcome Indicators</u>					
•Percentage change in number of compliance visits	-35.2%	0%	2.4%	7.2%	1.1%
•Percentage change in number of schools assisted with GI Bill approval process via email/phone	-23.7%	4.2%	2.2%	-9.7%	4.4%
•Percentage change in number of technical visits	-28.7%	2.6%	1.3%	11.3%	2.3%

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF INDIRECT COST REIMBURSEMENTS (Not Examined)
For the Two Years Ended June 30, 2018

The State of Illinois, Department of Veterans' Affairs (Department) receives Federal indirect cost reimbursements from the State Approving Agency for administrative expenses. The reimbursements are deposited into the GI Education Fund (0447). The indirect cost reimbursements were as follows:

Program	Indirect Cost Reimbursement Fiscal Year 2017	Indirect Cost Reimbursement Fiscal Year 2018
All-Volunteer Force Educational Assistance	\$167,653	\$157,250

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
CONSTRUCTION OF CHICAGO VETERANS' HOME (Not Examined)
For the Two Years Ended June 30, 2018

As discussed in the Agency Functions and Planning section of this report, the State of Illinois, Department of Veterans' Affairs (Department) has planned the construction of a Chicago Veterans' Home. Department management stated operational activities were not completed or initiated (i.e. hiring, procurement, etc.) on or before June 30, 2018. The estimated completion date for the Chicago Home is June 30, 2019. The contractors believe they will be able to make up the delays caused by the budget impasse and other construction changes waiting for the Illinois Capital Development Board's approval. The hiring process will begin approximately six months prior to the completion of construction on the Home. During the hiring process, key positions will be filled in order to begin engineer training, development of policies and procedures, staff recruitment, procurement, inventory for equipment and commodities, and the admissions process.