

**STATE OF ILLINOIS
DEPARTMENT ON AGING**

**STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

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

**STATE OF ILLINOIS
DEPARTMENT ON AGING
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

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**STATE OF ILLINOIS
DEPARTMENT ON AGING
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

DEPARTMENT OFFICIALS

Director	Paula A. Basta
Deputy Director (1/16/23 to present)	Becky Dragoo
Deputy Director (7/1/20 to 1/31/23)	Lora McCurdy
Chief of Staff	Selma D'Souza
Chief Legal Counsel	Rhonda Armstead
Chief Fiscal Officer	Sarah Harris
Deputy Chief Financial Officer & Chief, Bureau of Business Service	Theresa McKeon
Chief Internal Auditor	Michael Sartorius

Department offices are located at:

One Natural Resources Way
Suite 100
Springfield, Illinois 62702

555 W. Monroe – 15th floor
Chicago, Illinois. 60661



JB Pritzker, Governor
Paula A. Basta, M.Div., Director

One Natural Resources Way, Suite 100, Springfield, Illinois 62702-1271
Phone: 800-252-8966 • 888-206-1327 (TTY) • Fax: 217-785-4477

MANAGEMENT ASSERTION LETTER

May 4, 2023

Borschnack, Pelletier & Co.
Certified Public Accountants
200 E. Court St., Suite 608
Kankakee, IL 60901

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 State of Illinois, Department on Aging (Department). 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 Department’s compliance with the following specified requirements during the two-year period ended June 30, 2022. Based on this evaluation, we assert that during the years ended June 30, 2022 and June 30, 2021, the Department has materially complied with the specified requirements below.

- A. Other than what has been previously disclosed and reported in the Schedule of Findings, the Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. Other than what has been previously disclosed and reported in the Schedule of Findings, the Department has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. Other than what has been previously disclosed and reported in the Schedule of Findings, the Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. Other than what has been previously disclosed and reported in the Schedule of Findings, State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

State of Illinois, Department on Aging

SIGNED ORIGINAL ON FILE

Paula A. Basta, Director

SIGNED ORIGINAL ON FILE

Theresa McKeon, Chief, Bureau of Business Service

SIGNED ORIGINAL ON FILE

Rhonda Armstead, Chief Legal Counsel

**STATE OF ILLINOIS
DEPARTMENT ON AGING
STATE COMPLIANCE EXAMINATION
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STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this 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 for Financial Audits and Compliance Attestation Engagement of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General.

ACCOUNTANT'S REPORT

The Independent Accountant's Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain an adverse opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	27	21
Repeated Findings	18	13
Prior Recommendations Implemented or Not Repeated	3	3

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2022-001	11	New	Failure to Comply with Intergovernmental Agreement Responsibilities Regarding the Administration of the Home and Community Based Services Waivers for Persons Who Are Elderly	Material Weakness and Material Noncompliance
2022-002	16	2020/2016	Inadequate Controls Over State Property	Material Weakness and Material Noncompliance
2022-003	21	2020/2018	Failure to Maintain Accounts Receivable Records	Material Weakness and Material Noncompliance
2022-004	24	2020/2018	Voucher Processing Internal Controls Not Operating Effectively	Material Weakness and Material Noncompliance

**STATE OF ILLINOIS
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STATE COMPLIANCE REPORT

SUMMARY (CONTINUED)

SCHEDULE OF FINDINGS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
2022-005	27	2020/2010	Inadequate Controls and Monitoring Over Enhanced Rate Payments Made to Community Care Program Service Providers	Material Weakness and Material Noncompliance
2022-006	29	2020/2016	Inadequate Monitoring of Homemaker Service Providers	Material Weakness and Material Noncompliance
2022-007	31	New	Inadequate Controls of Access to Applications and Data	Material Weakness and Material Noncompliance
2022-008	33	2020/2020	Indirect Cost Reimbursements Not Claimed for All Federal Grants	Material Weakness and Material Noncompliance
2022-009	35	2020/2020	Inadequate Controls Over Monthly Reconciliations	Material Weakness and Material Noncompliance
2022-010	37	2020/2006	Failure to Timely Submit and Post Reports	Material Weakness and Material Noncompliance
2022-011	41	New	Noncompliance with the Adult Protective Services Act	Material Weakness and Material Noncompliance
2022-012	43	2020/2020	Inadequate Controls over Change Management	Material Weakness and Material Noncompliance
2022-013	45	New	Failure to Develop a Plan of Enforcement Relating to the Home Care Consumer Bill of Rights	Material Weakness and Material Noncompliance
2022-014	47	New	Failure to Comply with Intergovernmental Agreement Responsibilities in Connection with the Illinois Medicaid Program Advanced Cloud Technology (IMPACT)	Material Weakness and Material Noncompliance

**STATE OF ILLINOIS
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STATE COMPLIANCE REPORT

SUMMARY (CONTINUED)

SCHEDULE OF FINDINGS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
2022-015	49	2020/2020	Weaknesses in Cybersecurity Programs and Practices	Material Weakness and Material Noncompliance
2022-016	52	2020/2020	Inaccurate Debt Transparency Reporting	Material Weakness and Material Noncompliance
2022-017	54	New	Electronic Devices Weakness	Material Weakness and Material Noncompliance
2022-018	56	New	Inadequate Internal Controls over Vehicle Maintenance	Material Weakness and Material Noncompliance
2022-019	58	2020/2020	Failure to Report on Care Coordination Unit Performance	Significant Deficiency and Noncompliance
2022-020	59	New	Noncompliance with the Hospital Licensing Act	Significant Deficiency and Noncompliance
2022-021	61	2020/2018	Failure to Develop a Program to Identify the Special Needs and Problems of Minority Senior Citizens	Significant Deficiency and Noncompliance
2022-022	63	New	Failure to Establish a Prevention of Unnecessary Institutionalization Grant and Loan Program	Significant Deficiency and Noncompliance
2022-023	65	2020/2020	Weaknesses in Disaster Contingency Planning and Testing	Significant Deficiency and Noncompliance
2022-024	67	2020/2016	Failure to Make a Grant to Study Employment Plan	Significant Deficiency and Noncompliance
2022-025	68	2020/2016	Failure to Share Data with the State Board of Elections	Significant Deficiency and Noncompliance

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STATE COMPLIANCE REPORT

SUMMARY (CONTINUED)

SCHEDULE OF FINDINGS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
2022-026	70	2020/2012	Failure to Complete Performance Evaluations	Significant Deficiency and Noncompliance
2022-027	71	2020/2014	Noncompliance with the Fiscal Control and Internal Auditing Act	Significant Deficiency and Noncompliance

Prior Findings Not Repeated

A	72	2020/2018	Inadequate Internal Controls Over Interagency Agreements
B	72	2020/2020	Failure to Meet Quality Assurance and Improvement Program Standards
C	72	2020/2016	Failure to Enter into Agreement with the State Board of Elections

**STATE OF ILLINOIS
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STATE COMPLIANCE EXAMINATION
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STATE COMPLIANCE REPORT

SUMMARY (CONTINUED)

SCHEDULE OF FINDINGS (CONTINUED)

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on April 26, 2023.

Attending were:

Department on Aging

Paula A. Basta, Director
Selma D'Souza, Chief of Staff
Becky Dragoo, Deputy Director
Rhonda Armstead, Chief Legal Counsel
Michael Sartorius, Chief Internal Auditor
Theresa McKeon, Chief, Bureau of Business Service

Office of the Auditor General

Janis Van Durme, Health & Human Services Audit Manager
Kathy Lovejoy, Principal of IS Audits

Borschneck, Pelletier & Co.

Paul Pelletier, Partner
Robert Sikma, Partner
Jessica Witvoet, Manager

The responses to the recommendations were provided by Mr. Michael Sartorius, Chief Internal Auditor, in a correspondence dated April 27, 2023.

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Department on Aging (Department) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagement of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2022. Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditures, receipt or use.
- C. The Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable

assurance about whether the Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Department's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the Department during the two years ended June 30, 2022. As described in items 2022-001 through 2022-018 in the accompanying Schedule of Findings, the Department did not comply with the specified requirements. Items 2022-001 through 2022-018 are each considered to represent material noncompliance with the specified requirements.

Specified Requirement A

As described in the accompanying Schedule of Findings as item 2022-005, the Department had not 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.

Specified Requirement B

As described in the accompanying Schedule of Findings as item 2022-005, the Department had not 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, expenditures, receipt or use.

Specified Requirement C

As described in the accompanying Schedule of Findings as items 2022-001 through 2022-018, the Department had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Specified Requirement D

As described in the accompanying Schedule of Findings as items 2022-003 and 2022-008, the Department had not ensured the State revenues and receipts collected by the Department were in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts was fair, accurate, and in accordance with law.

Items 2022-019 through 2022-027 individually would have been regarded as significant noncompliance with the specified requirements; however, when aggregated, we determined these items constitute material noncompliance with the specified requirements.

In our opinion, because of the significance and pervasiveness of the material noncompliance with the specified requirements described in the preceding paragraphs, the Department did not comply with the specified requirements during the two years ended June 30, 2022, in all material respects.

The Department's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Department's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements and to test and report on Department's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. *A material weakness in internal control* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2022-001 through 2022-018 to be material weaknesses.

A significant deficiency in internal control is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2022-019 through 2022-027 to be significant deficiencies.

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

The Department's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Department's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Kankakee, IL
May 4, 2023

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-001 **FINDING** Failure to Comply with Intergovernmental Agreement Responsibilities Regarding the Administration of the Home and Community Based Services Waivers for Persons Who Are Elderly

The Department on Aging (Department) did not comply with the responsibilities assigned to it pursuant to an Intergovernmental Agreement (IA) with the Department of Healthcare and Family Services (HFS) regarding the administration of the Home and Community Based Services Waiver for Persons who are Elderly (Waiver) under section 1915(c) of the Social Security Act.

The Department and HFS entered into an IA in order to delineate respective roles, responsibilities, resources and financial obligations associated with the administration of services for persons applying to or are currently enrolled in Waiver services provided through the Department's Community Care Program (CCP).

We reviewed the terms of the IA and performed testing over the Department's assigned responsibilities contained within the IA. The results of our testing noted the Department was not in compliance with the following responsibilities assigned:

- Article 2.03b requires the Department to submit to HFS quarterly estimates of claims to be submitted in the next quarter, the current fiscal year, and the next fiscal year.

We requested the estimates the Department was required to submit quarterly and determined none were submitted.

Department management indicated HFS was going to require the Department to provide the quarterly estimates, but after discussion, both parties decided there was not a good tool to create such estimates.

- Article 2.03d requires the Department to certify that expenditures submitted to HFS have been paid prior to submittal, are not in excess of the Department's actual cost of the services provided, are in accordance with the principles established in Code of Federal Regulations (2 C.F.R § 200) and the State of Illinois' State Plan under Title XIX of the Social Security Act (State Plan), and the amounts used as the State's share of expenses are not federal funds and were not used to match other federal funds.

We requested evidence of the Department having provided certifications of expenditures to HFS. The Department provided evidence of having provided certifications of the administrative expenditures incurred, but provided no evidence of having certified the expenditures for direct services provided.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-001 **FINDING** Failure to Comply with Intergovernmental Agreement Responsibilities Regarding the Administration of the Home and Community Based Services Waivers for Persons Who Are Elderly (Continued)

Department management indicated they believed the cost certifications only related to the administrative expenditures. Further, Department management stated the Department does not certify direct service expenditures. The system only sends to HFS expenditures after they have been paid by the Office of Comptroller, and uses the eCCPIS billing system to identify the amounts paid to providers, and this is sent to HFS.

- Article 2.03f requires the Department to assure that all participants in the Waiver meet eligibility requirements for the Waiver.

We requested evidence of the Department providing such assurances and were informed the Department does not determine eligibility for Waiver services so such assurance cannot be provided. The Department enrolls participants in the State's CCP and requires financially eligible participants to apply for Medicaid. CCP participants who are Medicaid eligible are Waiver participants.

Department management indicated it does not determine Medicaid eligibility, therefore, it can not provide assurance that all participants in the Waiver meet eligibility requirements for the Waiver. Department management further indicated the Department's role is to determine if an individual meets an eligible level of care by performing a determination of need (DON), then Medicaid eligibility is determined by the Department of Human Services via its Integrated Eligibility System (IES).

- Article 2.03w requires, subject to the responsibilities of a Managed Care Organization (MCO) for participants enrolled in an MCO, the Department to be responsible through its contracted Care Coordinators (CCs) and/or Care Coordination Units (CCUs) for the performance of the Determination of Eligibility for MCO participants. For Medicaid enrolled CCP participants, the CCs and/or CCUs are responsible for completion of the Comprehensive Care Coordination assessment tool and creation and implementation of a Person-Centered Service Plan (Plan). Further, the Plan is required to be updated annually.

We tested a sample of 60 Medicaid enrolled CCP participants who were not MCO participants. We noted:

- Four (7%) participants did not have a determination of eligibility or annual Plan of care completed during Fiscal Years 2021 or 2022.
- Eight (13%) participants did not have a determination of eligibility or annual Plan of care completed either during Fiscal Year 2021 or 2022.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-001 **FINDING** Failure to Comply with Intergovernmental Agreement Responsibilities Regarding the Administration of the Home and Community Based Services Waivers for Persons Who Are Elderly (Continued)

Department management indicated staffing shortages impacting the majority of the CCUs and caseload growth during the public health emergency has resulted in delays in conducting annual redeterminations and Plan of care updates.

- Article 2.03j requires the Department to correct deficiencies discovered in the course of HFS' monitoring of the Waiver, including providing technical assistance to Waiver service providers to bring Waiver services into compliance through corrective action, providing ongoing and periodic monitoring of the status of corrective actions to ensure compliance, and submitting corrective action status reports to HFS.

We requested the Department provide us with the population of Waiver deficiencies identified by HFS during the examination period. The Department was unable to provide us with the requested population.

Department management indicated they did not maintain a record of deficiencies identified by HFS. Instead, the Department provided us with several communications to HFS acknowledging the HFS Record Review Report for the Waiver provider, and (if applicable) the plan of correction for HFS review summary findings and the Department's acknowledgement of review and approval of the Plan of Correction.

Due to these conditions, we were unable to conclude the Department's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36). We did not select a sample or perform tests on the records provided.

In addition, the Department and HFS did not comply with the following mutual responsibilities:

- Article 2.01a requires the Department and HFS to develop interagency procedures to facilitate the implementation of the IA and to include the procedures in their respective policy manual or like documents.

In response to our request for interagency procedures developed to facilitate implementation of the IA, the Department provided a copy of their procedures for Administrative Claiming.

Department management indicated no other interagency procedures to facilitate implementation of the IA were documented.

- Article 2.01b requires the Department and HFS to meet quarterly to discuss the operation and improvement of the Waiver.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-001 **FINDING** Failure to Comply with Intergovernmental Agreement Responsibilities Regarding the Administration of the Home and Community Based Services Waivers for Persons Who Are Elderly (Continued)

We noted the Department and HFS did not meet during the first and second quarters for Fiscal Year 2021.

Department management indicated the meetings were halted for a short period of time due to Waiver staff shortages.

Failure to establish and adhere to robust internal controls over Departmental responsibilities noted with the terms of the IA limits HFS' ability to properly perform its functions as the State's Medicaid Agency. Specifically, the State could inaccurately determine eligibility for Waiver recipients, which could result in expenditures to providers who are ineligible. Also, by seeking Medicaid federal participation reimbursements for ineligible expenditures, the State could become noncompliant with federal laws and regulations, resulting in denied claims, sanctions and/or loss of future federal funding, and ultimately inaccurate financial statements or financial information. (Finding Code No. 2022-001)

RECOMMENDATION

We recommend the Department fully comply with the terms of the executed IA.

DEPARTMENT RESPONSE

The Department partially concurs with the finding, with detailed responses to each deficiency noted below. The Department and HFS have established a regular cadence of quarterly meetings and will continue to ensure representatives and/or their authorized designees attend all meetings. In addition, the Department met with HFS on March 22, 2023, to initiate discussions on revising provisions of the IA to reflect current practices while ensuring robust internal controls.

The Department responds as follows to each individual deficiency noted in the finding:

Article 2.03b. The Department concurs with the finding. During quarterly meetings with HFS, both agencies agreed the creation of a tool to provide estimates would not be useful to evaluating services provided under the Waiver.

Article 2.03d. The Department concurs with the finding. The Department does not certify direct service expenditures but rather uses the eCCPIS billing system to validate expenditures paid to providers. In addition to providing eCCPIS data to HFS to meet this requirement, the Department only submits direct service expenditures after they have been paid by the Office of Comptroller. The Department met with HFS on March 22, 2023, to discuss this method of reporting direct service expenditures.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-001 **FINDING** Failure to Comply with Intergovernmental Agreement Responsibilities Regarding the Administration of the Home and Community Based Services Waivers for Persons Who Are Elderly (Continued)

Article 2.03f. The Department partially concurs with the finding. All participants of the CCP program are “required to apply for and, if financially able, enroll in medical assistance under Article V of the Illinois Public Aid Code as a condition of eligibility” (89 Ill. Admin. Code 240.865). CCP participants who are Medicaid eligible are Waiver participants with the Department of Human Services determining Medicaid eligibility via its IES.

Article 2.03w. The Department partially concurs with the finding. Pursuant to the Families First Coronavirus Response Act (FFCRA) enacted on March 18, 2020, the State was prohibited from terminating coverage and reducing CCP services for any beneficiary enrolled in Medicaid on or after March 20, 2020, until the end of the month the public health emergency period ends. In addition, under FFCRA the State was required to maintain an individual’s CCP services even if the individual was determined to no longer meet the eligibility or other requirements for receiving waiver services. Providing these flexibilities ensured vulnerable individuals would not have services terminated while recognizing workforce limitations and other operational challenges owing to the COVID-19 pandemic.

The Department continues to engage network partners around staffing challenges impacting the ability to comply with this requirement. The Department has increased various rates for network partners and has also supported the CCUs with work force retention funds.

Article 2.03j. The Department concurs with the finding and has implemented a tracking system to ensure compliance with this provision of the IA.

Article 2.01a. The Department partially concurs with the finding. The Department submits proposed policy changes and guidance that impact Waiver participants to the HFS Bureau of Waiver Management for approval. These policies serve to facilitate the implementation of the IA and reflect the spirit of interagency coordination. Similarly, the HFS Bureau of Waiver Management solicits feedback from the Department with respect to proposed policy changes and guidance that impacts services under the Waiver.

Article 2.01b. The Department concurs with the finding. Meetings were halted for a short period of time due to staffing shortages within the HFS Bureau of Waiver Operations. The Department will engage with HFS to ensure the IA provides a mechanism to continue coordination between the two Departments owing to unforeseen events.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-002 **FINDING** Inadequate Controls Over State Property

The Department on Aging (Department) did not exercise adequate internal control over the recording and reporting of its State Property.

As of June 30, 2022, the Department's inventory listing includes equipment with a total cost of \$539,904. The Department's Agency Report of State Property (C-15) reported equipment of \$223,069 and no other property as of June 30, 2022.

During our testing, we noted the following during the examination period with regards to the Department's property and equipment records:

- The Department did not develop a tracking mechanism to compile the costs of an internally developed intangible asset in progress. Specifically, we noted the Department had originally allocated \$1.6 million to develop an application to replace other outdated applications still in use by the Department. Payments made to the contractor working on the project totaled \$457,484 in Fiscal Year 2021 and \$499,253 in Fiscal Year 2022 in addition to costs totaling \$845,385 which were incurred in Fiscal Years 2019 and 2020, for a cumulative cost incurred of \$1,802,122. Further, the Department was unable to provide us with estimated payroll costs for the IT personnel assigned to the project for Fiscal Years 2021 and 2022. Therefore, the accumulated costs incurred are actually higher than the \$1,802,122. The Department did not report this internally developed intangible asset in progress on its C-15 reports. In February 2023, the Department provided a summary of costs totaling \$2,268,364, however certain costs previously identified as part of the project appear to be missing and payroll estimates were significantly different than previously provided estimates.

The Statewide Accounting Management System (SAMS) Manual (Procedure 03.30.30) requires the Department to capitalize internally generated intangible assets that exceed \$1 million. Further, the SAMS Manual (Procedure 03.30.10) requires the Department to accumulate the costs incurred during the development of intangible assets in an internally developed intangible asset in progress account.

- The Department does not have a formal policy clearly delineating the categories of equipment considered subject to theft. The Department follows the practice of using its own discretion to consider whether items can be easily stolen to identify as highly susceptible to theft.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.210(c)) states all agencies shall consider all vehicles and firearms to be subject to theft. Additionally, the Code states each agency is responsible for adopting policies clearly delineating categories of equipment considered to be subject to theft.

- For 18 of 30 (60%) equipment items selected for observation, totaling \$80,993, we were unable to locate the items, and therefore the items could not be observed. In addition, 194 equipment items, totaling \$92,142, were

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
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2022-002 **FINDING** Inadequate Controls Over State Property (Continued)

excluded from our sampling population because the location of the items was a separate building in Springfield which had been condemned for mold and therefore the items could not be viewed. These items had not been removed from the Department's inventory listing as of June 30, 2022.

The State Property Control Act (30 ILCS 605/4) requires responsible officers at each State agency to be accountable for the supervision, control, and inventory of property under their jurisdiction to ensure proper accounting and safeguarding of assets. Further, the SAMS Manual (Procedure 29.10.10) states assets that are obsolete, damaged or no longer used in operations should be identified by the Department and, if necessary, removed from the Department's asset records.

- The Department filed inaccurate C-15s during the examination period. The exceptions noted were as follows:
 - The intangible asset in progress (discussed earlier) was not reported on any of the 8 C-15s.
 - Two items of equipment, totaling \$2,625, acquired in previous periods (which were reconciling items in the previous examination) were not reported on any of the 8 current examination's C-15s. As a result, the Department's C-15 records remain understated as of June 30, 2022 by the respective amount.
 - On the March 31, 2021 C-15, the Department deleted \$32,848 of capital lease assets. The correct amount to have been deleted was \$35,279.
 - The Department was unable to provide a detail listing of \$7,159 of equipment sent to surplus which it reported on its September 30, 2021 C-15.
 - On the December 31, 2021 C-15, \$56,688 of equipment was deleted in error and had to be subsequently added back on the June 30, 2022 C-15.

The SAMS Manual (Procedure 29.20.10) details the procedures for the Department's proper completion of the C-15s. The State Records Act (5 ILCS 160/9) requires the Department to establish and maintain a program for the economical and efficient management of records of the agency.

- For 5 of 30 (17%) equipment items tested, totaling \$8,708, the items were not reported to the Department of Central Management Services (DCMS) on its Fiscal Year 2022 annual certification of inventory. The unreported equipment included three projectors, a bar code printer, and a shredder.

The Code (44 Ill. Admin. Code 5010.220) requires all equipment with an acquisition value greater than the nominal value (currently \$1,000) and equipment that is subject to theft with a value less than that nominal value to be reported to the DCMS by the holding agency. In following up on this

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2022-002 **FINDING** Inadequate Controls Over State Property (Continued)

exception, the Department identified an additional 11 items totaling \$15,683 which were not located during their physical inventory and were not reported to DCMS as being unlocated on the certification.

Further, the State Property Control Act (30 ILCS 605/4) requires responsible officers at each State agency to be accountable for the supervision, control, and inventory of property under their jurisdiction to ensure proper accounting and safeguarding of assets.

- The Fiscal Year 2022 Certification of Inventory submitted by the Department reported 34 items of EDP equipment, totaling \$125,905, (such as servers, computers, hard drives, and laptops) which could not be located by the Department. The Department assumed these items were sent to surplus by the Department of Innovation and Technology (DoIT) employees assigned to the Department; however, the Department could not locate any documentation supporting this assumption. In addition, for the 34 items of EDP equipment, the Department was unable to provide us evidence that the electronic storage devices had been cleared of data or specify the types of data which may have been stored on the items, resulting in the Department's inability to determine if the data fit the requirements for notification under the Personal Information Protection Act.

The State Property Control Act (30 ILCS 605/4) requires responsible officers at each State agency to be accountable for the supervision, control, and inventory of property under their jurisdiction to ensure proper accounting and safeguarding of assets. Further, the Personal Information Protection Act (815 ILCS 530/30) requires any State agency that collects personal data that is no longer needed or stored at the agency to dispose of the personal data it has collected in such a manner as to ensure the security and confidentiality of the material.

- The Department's June 30, 2022 equipment inventory listing was inaccurate and incomplete. The exceptions we noted were as follows:
 - Equipment items totaling \$64,561 were not included on the June 30, 2022 inventory listing, as the Department had not yet converted some items from the old inventory system to the new inventory system. We identified this exception because there was a note at the bottom of the inventory listings provided by the Department. The Department did not provide additional information regarding what equipment items made up the \$64,561.
 - Two items of equipment, totaling \$2,625, acquired in previous periods (which were reconciling items in the previous examination) still had not been added to the Department's equipment inventory listing.
 - Items reported as transferred to surplus (\$7,159 on the December 31, 2021 C-15 and \$85,334 on the June 30, 2022 C-15) were not removed from the Department's equipment inventory listing as of June 30, 2022.

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2022-002 **FINDING** Inadequate Controls Over State Property (Continued)

The Code (44 Ill. Admin. Code 5010.400) states that agencies shall adjust property records within 90 days of acquisition, change, or deletion of equipment items. Further, the State Property Control Act (30 ILCS 605/4) requires responsible officers at each State agency to be accountable for the supervision, control, and inventory of property under their jurisdiction to ensure proper accounting and safeguarding of assets.

- As of the end of fieldwork, the Department had not provided us evidence of a Fiscal Year 2021 Certification of Inventory having been filed with DCMS.

The Code (44 Ill. Admin. Code 5010.460) requires all agencies to complete an annual inventory of 100% of State owned equipment with a certification, the "Discrepancy Report", and a listing of all equipment items with a value greater than the nominal value, and equipment that is subject to theft with a value less than the nominal value to be submitted to DCMS.

- One cell phone purchased by the Department during Fiscal Year 2022 was not included on the Department's inventory records at June 30, 2022. Further, we noted three cell phones, which had service terminated when updated with newer phones, remained in the possession of employees and were not included on the June 30, 2022 inventory records. Finally, we noted the Department reused cellular phone tag numbers for new phones that replaced old phones during the examination period. The re-use of tag numbers and failing to collect and recycle the outdated phones increases the risk of misappropriation of State assets.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2016. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

Department management indicated the noted issues were due to a lack of staffing resources, the COVID-19 pandemic, implementation of the new ERP system, and competing priority assignments for available staff in the Fiscal Office.

Failure to exercise adequate internal control over property and maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. Inaccurate and untimely property reporting reduces the reliability of Statewide property information. (Finding Code No. 2022-002, 2020-003, 2018-011, 2016-010)

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2022-002 **FINDING** Inadequate Controls Over State Property (Continued)

RECOMMENDATION

We recommend the Department allocate sufficient resources and strengthen internal controls over the recording and reporting of State property by reviewing their inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. In addition, we recommend the Department ensure all equipment and intangible assets are accurately and timely recorded on the Department's property and financial records.

DEPARTMENT RESPONSE

The Department concurs with this finding and is currently working with Human Resources to hire staff that as a component of their job duties will work with the new inventory system that is much more user friendly and manageable. As staff are hired, they will be allocated to strengthen internal controls over the recording and reporting of State property by reviewing Department inventory and recordkeeping, assist with physical inventory taking, and tracking. In the interim, the Department has scheduled the annual inventory, is reviewing purchases on a monthly basis for additions to inventory, and modifying procedures to strengthen internal controls.

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2022-003 **FINDING** Failure to Maintain Accounts Receivable Records

The Department on Aging (Department) failed to maintain detailed documentation of the accounts receivable reported on its Quarterly Summary of Accounts Receivable – Accounts Receivable Activity (Form C-97), Quarterly Summary Accounts Receivable – Aging of Total Gross Receivables (Form C-98) and Quarterly Summary of Accounts Receivable – External Collections Activity for Accounts Over 180 Days Past Due (Form C-99) reports submitted to the Office of Comptroller (IOC).

We tested all eight of the quarterly accounts receivable related reports the Department filed with the IOC during the examination period and noted the following:

- The receivables balance on each of the first two reports totaled \$3,621,000 for the General Revenue Fund, which had been pulled forward from previous years. An additional \$301,000 in receivables was then added for the quarter ended March 31, 2021, bringing the total to \$3,922,000. The receivables balance remained as \$3,922,000 as of June 30, 2022.

Department management stated the \$301,000 addition in Fiscal Year 2021 was an estimated amount related to overpayments the Department made to providers. Department management stated it updated a change in reimbursement rates to providers in its electronic billing system and mistakenly paid providers the increased rate for services performed prior to the effective date of the rate increase. The actual overpayment calculated by the Department was \$265,714.

During our review of the reports, we noted the Department reported no collections on any of these receivables and the estimated uncollectible amounts did not change during the examination period. We further noted the Department was unable to provide any detailed records to support the receivable information reported on the quarterly reports other than the \$265,714 noted for the addition above.

Department management indicated it initially reported an estimated amount for the quarter ended March 31, 2021, and failed to subsequently update the amount. Department management also indicated most of the older receivables relate to provider overpayments and have not been adequately tracked due to insufficient staffing and other competing priorities in the Fiscal Office.

We also inquired whether any of the Department's accounts receivable were sent to the IOC's Debt Recovery Offset System, referred to the Debt Collection Bureau of the Illinois Department of Revenue (Bureau), or referred to the Office of the Attorney General for certification of the debts' uncollectibility. Department management responded they do not use the IOC's Debt Recovery Offset System and have not referred accounts receivable to the Bureau. The Department provided evidence of requesting certification of uncollectibility from the Office of the Attorney General to write off \$392,523 of old receivables related to the Circuit Breaker Program which closed in 2012.

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2022-003 **FINDING** Failure to Maintain Accounts Receivable Records (Continued)

Department management indicated insufficient staffing in the Fiscal Office and other competing priorities is why the receivables have not been referred for offset, to the Bureau, or the Office of the Attorney General.

The Statewide Accounting Management System (SAMS) Manual (Procedure 26.30.10) requires the Department to report receivable information with the IOC quarterly on Form C-97, Form C-98, and Form C-99 no later than the last day of the month following the end of the quarter.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

The State Records Act (5 ILCS 160/8) requires the Department to cause to be made and preserved records containing adequate and proper documentation of the essential transactions of the agency designed to furnish information and protect the financial rights of the State.

The State Collection Act of 1986 (30 ILCS 210/5(c-1)) requires all debts exceeding \$250 and more than 90 days past due to be placed with the IOC's Offset System.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 1200.60) requires the Department to refer to the Bureau all debt owed to the State, provided that the debt satisfies the requirements for referral of delinquent debt. The Code (74 Ill. Admin. Code 1200.50) defines "delinquent debt" as a debt to the State or any of its agencies that is owed by any person or entity, that is \$10 or more, and that is more than 90 days past due.

The Uncollected State Claims Act (30 ILCS 205/2(a)) requires the Department to request the Attorney General to certify the claim or accounts receivable as uncollectible when it is unable to collect any claim or account receivable of \$1,000 or more after having pursued the debt in accordance with State law.

Lastly, a good system of internal control includes ensuring receivables are properly and accurately recorded and maintained by the Department.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2018. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

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2022-003 **FINDING** Failure to Maintain Accounts Receivable Records (Continued)

Failure to maintain accurate accounts receivable records and accurately report accounts receivable balances could lead to the failure of properly collecting amounts owed to the State, inaccuracies in statewide financial statement reporting, increases the risk that errors and irregularities could occur and not be detected by the Department on a timely basis, and represents noncompliance with the Act and the SAMS Manual. Additionally, failure to utilize available mediums of debt collection hinders oversight authorities' ability to collect debts on behalf of State agencies, may result in a loss of State revenues, and represents noncompliance with State laws and regulations. Finally, failure to write-off uncollectible debts may result in unnecessary funds expended for monitoring and collection of such debts, and possible overstatement of State receivables. (Finding Code No. 2022-003, 2020-002, 2018-012)

RECOMMENDATION

We recommend the Department strengthen its controls over accounts receivable by performing thorough reviews and reconciliations of the data it uses to generate the C-97, C-98, and C-99 Forms. Further, we recommend the Department have the staff already allocated to review and monitor past due accounts also refer them to the IOC's Offset System, the Bureau, or to the Office of Attorney General as required by State laws, or hire additional staff to perform the required referrals.

DEPARTMENT RESPONSE

The Department concurs with this finding and is currently working with Human Resources to hire several staff, that as a component of their job duties, will begin a process within the new accounting system for current and potentially collectible receivables. Staff will develop procedures and training to ensure that procedures and guidance are available to new hires if staff turnover occurs. Staff will also investigate options with the Attorney General's Office and the IOC to write off old uncollectable debt.

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2022-004 **FINDING** Voucher Processing Internal Controls Not Operating Effectively

The Department on Aging's (Department) internal controls over its voucher processing function were not operating effectively during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning (ERP) System operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Department to determine whether certain key attributes were properly entered by the Department's staff into the ERP System. In order to determine the operating effectiveness of the Department's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's ERP System based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

Our testing noted 3 of 140 (2%) attributes were not properly entered into the ERP System. Therefore, the Department's internal controls over voucher processing **were not operating effectively.**

The Statewide Accounting Management System (SAMS) Manual (Procedure 17.20.20) requires the Department to, after receipt of goods or services, verify the goods or services received met the stated specifications and prepare a voucher for submission to the Comptroller's Office to pay the vendor, including providing vendor information, the amount expended, and object(s) of expenditure. Further, the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.30) requires the Department maintain records which reflect the date goods were received and accepted, the date services were rendered, and the proper bill date. Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance expenditures are properly recorded and accounted for to maintain accountability over the State's resources.

Due to this condition, we modified our opinion because we determined the Department had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Even given the limitations noted above, we conducted an analysis of the Department's expenditures data for Fiscal Years 2021 and 2022 to determine compliance with the State Prompt Payment Act (Act) (30 ILCS 540) and the Code (74 Ill. Admin. Code 900.70). We noted the following noncompliance:

- The Department owed 44 vendors interest totaling \$17,128 in Fiscal Years 2021 and 2022; however, the Department had not approved these vouchers for payment to the vendors.

The Act (30 ILCS 540) requires the Department to pay vendors who had not been paid within 90 days of receipt of a proper bill or invoice interest.

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2022-004 **FINDING** Voucher Processing Internal Controls Not Operating Effectively
(Continued)

- The Department did not timely approve 4,171 of 85,986 (5%) vouchers processed during the examination period, totaling \$79,579,871. We noted these late vouchers were approved between 1 and 364 days late.

The Code (74 Ill. Admin. Code 900.70) requires the Department to timely review each vendor's invoice and approve proper bills within 30 days after receipt.

- The Department did not timely correct 2 of 85,986 vouchers processed during the examination period totaling \$9,117. We noted these Fiscal Year 2021 vouchers were corrected in the State's ERP System 202 days after the end of the Fiscal Year 2021 Lapse Period.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to ensure revenues, expenditures, and transfer 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.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2018. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

Department management indicated the COVID-19 pandemic's mandated remote work policies created a lack of timely processing and approval of invoices throughout the Department's operations. As a result, submission of invoices to the Fiscal Office for processing of the related payments were not within the prescribed timeframes. Department management further indicated inputting errors into the State's ERP System were due to clerical errors.

Failure to properly enter the key attributes into the State's ERP System when processing a voucher for payment hinders the reliability and usefulness of data extracted from the ERP System, which can result in improper interest calculations and expenditures. Further, failure to timely process proper bills and approve vouchers for payment of interest due represents noncompliance with the Code and the Act. (Finding Code No. 2022-004, 2020-012, 2018-006)

RECOMMENDATION

We recommend the Department design and maintain internal controls to provide assurance its data entry of key attributes into the ERP System is complete and accurate. Further, we recommend the Department approve proper bills within 30 days of receipt and approve vouchers for payment of interest due to vendors.

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2022-004 **FINDING** Voucher Processing Internal Controls Not Operating Effectively
(Continued)

DEPARTMENT RESPONSE

The Department concurs with this finding. The Department implemented the new statewide accounting system July 1, 2020, and is in the process of updating procedures, to ensure timely payments. The examination period began July 1, 2020 and ran through June 30, 2022, immediately following the implementation of the new accounting system. The Department's Human Resource staff is working with the Department of Central Management Systems to prioritize the posting and filling of positions that assist with processing payments. The ERP System was launched four months into the COVID-19 pandemic during a time period when much of the work force including Department and external stakeholders submitting payment requests transitioned to remote or hybrid work status. This created unforeseen delays to the Department's ability to process invoices through the ERP System. The Department is requiring staff to ensure timely processing of payments regardless of work location.

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2022-005 **FINDING** Inadequate Controls and Monitoring Over Enhanced Rate Payments Made to Community Care Program Service Providers

The Department on Aging (Department) lacked adequate internal controls and monitoring over eligibility determinations and payments made to service provider agencies (providers) that applied for and received a special hourly rate under the Community Care Program.

The Illinois Act on Aging (20 ILCS 105/4.02) requires the Department to pay an enhanced rate under the Community Care Program to those in-home providers that offer health insurance coverage as a benefit to their direct service worker employees consistent with the mandates of Public Act 095-0713. For Fiscal Years 2021 and 2022, the enhanced rate was \$1.77 per hour. For the two fiscal years under examination, the Department paid all providers a total of \$80,500,486 for the enhanced rate payments.

During fieldwork, we tested 5 of 14 (36%) providers who were paid an enhanced rate and noted the following:

- Three of 5 (60%) providers tested did not, within 6 months after the end of the reporting period, submit a verification from an independent certified public accounting firm of the actual, documented expense for health insurance during Fiscal Year 2021.
- Five of 5 (100%) providers tested did not, within 6 months after the end of the reporting period, submit a verification from an independent certified public accounting firm of the actual, documented expense for health insurance during Fiscal Year 2022.
- One of 5 (20%) providers tested did not submit a Direct Service Worker Health Insurance Certification (DSWHIC) during Fiscal Year 2021.
- Three of 5 (60%) providers tested did not submit a Direct Service Worker Health Insurance Certification (DSWHIC) during Fiscal Year 2022.

According to the Illinois Administrative Code (Code) (89 Ill. Admin. Code 240.1970), providers must provide a certification showing that they offer, or will offer, health insurance coverage to all direct service workers who have worked a specified amount of time and that at least one quarter of those workers accept the offer of health insurance.

The enhanced rate is available for eligible providers with private insurance (Type 1), as well as eligible employer-provided health plans as part of a collective bargaining agreement with unionized workers (Type 2). As part of required annual insurance reviews, both Type 1 and Type 2 providers are required to substantiate their continued eligibility to receive the enhanced rate by submitting a copy of its health insurance plan or a certificate of insurance to the Department within six months after the end of the fiscal year. Providers are also required to submit verification from an independent certified public accounting firm of the actual, documented expense for health insurance during the providers' fiscal year. Any excess payments received over the amount spent for health insurance must be returned to the Department.

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2022-005 **FINDING** Inadequate Controls and Monitoring Over Enhanced Rate Payments Made to Community Care Program Service Providers (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2010. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

Department management indicated, as it did in the prior examination, the issues noted were due to providers not submitting the required documentation in a timely manner and insufficient resources for the Department to follow up with providers.

Failure to ensure accuracy and completeness of eligibility determinations and verification of expenses can lead to provider overpayments. Failure to timely obtain, maintain, and review DSWHIC forms increases the risk that incorrect or excessive enhanced payments will not be prevented or detected. (Finding Code No. 2022-005, 2020-001, 2018-004, 2016-001, 2014-001, 12-01, 10-01)

RECOMMENDATION

We recommend the Department strengthen controls to ensure that initial and ongoing reviews of eligibility and annual reporting for the enhanced reimbursement rate are conducted and documented in a timely manner, and in accordance with the Code. We also recommend the Department obtain reimbursement from providers if determined to be ineligible.

DEPARTMENT RESPONSE

The Department concurs with this finding and is currently working with its Human Resource area to hire staff that will strengthen controls, develop proper procedures and trainings for current and new staff to create a cohesive area so that initial and ongoing reviews of eligibility and annual reporting for the enhanced reimbursement rate are conducted and documented in a timely manner, and in accordance with the Code.

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2022-006 **FINDING** Inadequate Monitoring of Homemaker Service Providers

The Department on Aging (Department) did not adequately monitor its homemaker service providers.

We tested 25 in-home care aide (homemaker services) providers, which received payments totaling \$1,200,492,792 during the examination period. Our testing of in-home care aide (homemaker services) providers for compliance with reporting requirements noted:

- Six (24%) of the 25 providers tested had not submitted an audit to the Department during Fiscal Year 2022.
- Two (8%) of the 25 providers tested had not submitted an audit to the Department during Fiscal Year 2021.
- During Fiscal Year 2022, 11 (44%) of the 25 providers tested had not submitted evidence of assurance the provider's procedures were in compliance with the Department's financial reporting guidelines requiring an administrative and employee wage and benefits cost split as required in the Department's administrative rules.
- During Fiscal Year 2021, 4 (16%) of the 25 providers tested had not submitted evidence of assurance the provider's procedures were in compliance with the Department's financial reporting guidelines requiring an administrative and employee wage and benefits cost split as required in the Department's administrative rules.

The Illinois Act on the Aging (20 ILCS 105/4.02) requires the Department to require an annual audit from all home care aide vendors. The annual audits shall assure the audited vendor's procedures are in compliance with the Department's financial reporting guidelines requiring an administrative and employee wage benefits cost split.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable laws. Accordingly, the Department must receive and review the audit reports of its service providers in a timely manner to determine whether the funds were utilized in accordance with the purpose of the program.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2016. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

Department management indicated the monitoring of service providers and obtaining all the required audit reports and assurances remains a challenge due to staff vacancies and other competing priorities in the Fiscal Office.

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2022-006 **FINDING** Inadequate Monitoring of Homemaker Service Providers (Continued)

Failure to properly monitor service providers through timely receipt and review of their audit reports decreases the Department's accountability over these expenditures and increases the risk of noncompliance with the provisions of the contracts with service providers. (Finding Code No. 2022-006, 2020-004, 2018-010, 2016-008)

RECOMMENDATION

We recommend the Department designate sufficient staff to monitor service provider activities by identifying, following-up on, and enforcing submission of delinquent audit reports in order to determine whether the funds were utilized in accordance with the purpose of the program.

DEPARTMENT RESPONSE

The Department concurs with this finding and its Human Resource Manager is currently working to hire a manager. The manager will collaborate with the State Grant Accountability and Transparency Unit team and will develop proper procedures and trainings for staff to ensure standardized monitoring of audit requirements to comply with the financial components of agreements and contracts. Internal communication has been improved and is inclusive of program managers to take corrective action for providers that are non-compliant. For Community Care Program Providers, the program managers are involved in discussions, under Section 240.1505 of the Service Provider contract agreement, about capping the intake of any and all contracts held by a Service Provider due to non-compliance, including failure to provide audited financial reports.

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2022-007 **FINDING** Inadequate Controls of Access to Applications and Data

The Department on Aging (Department) lacked adequate internal controls over users' access to its applications and data.

We requested the Department to provide the populations of users to the Facility Case Review, Adult Protective Services Billing, and Critical Event Reporting systems to determine if the users' access was appropriate. In response to our request the Department provided the populations; however, they did not provide documentation demonstrating the user population for Facility Case Review system was complete and accurate.

Due to these conditions, we were unable to conclude the Department's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36)

Even given the population limitation noted above, we performed testing of users' access rights, noting:

- Two of 2 (100%) Facility Case Review system users' access were not appropriate.
- Four of 9 (44%) Adult Protective Services Billing system users' access were not appropriate.
- Two of 8 (25%) Critical Event Reporting system users' access were not appropriate.

Further, we noted the Department could not provide the following:

- Evidence of security software accounts had been reviewed.
- Evidence of periodic user access reviews for the following applications managed by the Department of Innovation and Technology (DoIT):
 - Central Time and Attendance
 - E-Time
 - Central Payroll System
 - ERP

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

The Framework for Improving Critical Infrastructure Cybersecurity and The Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Access section, requires entities to maintain internal controls over access to their applications and data.

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2022-007 **FINDING** Inadequate Controls of Access to Applications and Data (Continued)

Department management indicated DoIT was responsible for the Department's security controls, and the Department did not have sufficient resources to carry out these responsibilities. Department management also indicated security and user access reviews of DoIT applications were performed, but employee turnover of personnel with access was minimal and documentation of the reviews was not retained.

Without the Department providing complete and adequate documentation to enable testing, we were impeded in completing our procedures and providing useful and relevant feedback to the General Assembly regarding the Department's internal controls over user access. Further, inadequate internal controls over users' access could result in inappropriate access to the Department's applications and data. (Finding Code No. 2022-007)

RECOMMENDATION

We recommend the Department strengthen its controls to ensure complete and accurate user populations, along with supporting documentation, is retained. In addition, we recommend the Department conduct and document periodic reviews of users of its systems to ensure access is appropriate.

DEPARTMENT RESPONSE

The Department partially concurs with the finding. Prior to the transformation to DoIT in April 2022, the Department utilized DoIT's methodology. The Department will strengthen internal controls to ensure complete and accurate user populations, along with supporting documentation, and retain documentation of periodic reviews.

Concerning the deficiencies cited for Central Time Attendance, Central Payroll, and eTime systems, the Department runs annual reports and reviews security. Although the review is not currently documented, only a limited number of assigned users, have access to these systems. User access is immediately terminated when staffing changes occur. The Department will begin documenting security reviews.

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2022-008 **FINDING** Indirect Cost Reimbursements Not Claimed for All Federal Grants

The Department on Aging (Department) did not pursue all indirect cost reimbursements or provide sufficient evidence they were precluded from claiming indirect costs for all federal grant programs.

During the examination period, the Department had indirect cost rate agreements in effect which were approved by the Department of Health and Human Services. The agreements specify indirect cost rates to be applied to direct salaries and wages (excluding all fringe benefits) based on the cost center assigned. As reported on the Department's Schedules of Expenditures of Federal Awards, the Department expended \$80 million and \$90 million in federal awards during Fiscal Years 2022 and 2021, respectively, of which \$76 million and \$86 million, respectively, were passed through to subrecipients. Direct salaries and wages paid from federal awards totaled \$1.6 million and \$1.6 million in Fiscal Years 2022 and 2021, respectively. We performed an analysis of the Department's Schedules of Expenditures of Federal Awards and identified three awards which may have been eligible for indirect costs based on the criteria of the indirect cost rate agreements. Direct salaries charged to those three awards were \$836,032 and \$823,501 in Fiscal Years 2022 and 2021, respectively. This could potentially result in indirect cost reimbursements of \$609,254 and \$604,514 for Fiscal Years 2022 and 2021, respectively.

The Department claimed indirect costs as part of the State matching portion for its Aging Cluster programs. No indirect costs were charged to and reimbursed from other federal funds. The Department did not provide any regulations or evidence to support indirect costs were not allowed for the programs noted in the previous paragraph.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2a.3) requires the Department to make timely application for all indirect cost reimbursements for which it is eligible and maintain accurate records concerning the application for and the receipt, deposit and use of all indirect cost reimbursements under its control.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance that 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 indicated indirect costs were not obtained due to employee oversight. Department management also indicated, as it did in the prior examination, it did not pursue additional indirect cost recoveries because its federal awards were primarily passed through to subrecipients.

Failure to claim all indirect costs that the Department is eligible to receive results in a loss of revenue to the State to cover costs incurred in administering federal programs. (Finding Code No. 2022-008, 2020-017)

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2022-008 **FINDING** Indirect Cost Reimbursements Not Claimed for All Federal Grants
(Continued)

RECOMMENDATION

We recommend the Department thoroughly examine its federal awards to identify and document those awards eligible for indirect cost reimbursements. We further recommend the Department claim all indirect cost reimbursements for which it is eligible.

DEPARTMENT RESPONSE

The Department concurs with this finding. The Department does not draw in Federal funds by distinguishing draws between Direct or Indirect Charges. The draws for payrolls within the Aging Older Americans grant cluster are for both Direct and Indirect employees, mainly for fiscal functions which are indirect costs that are allowable in Federal grants. The Department also understands the need for more distinctive record keeping to track and record Direct and Indirect charges.

The Department will ensure processes and procedures are in place and communicated with staff to ensure when grants are applied for outside the cluster eligible indirect cost reimbursements are identified and claimed.

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2022-009 **FINDING** Inadequate Controls Over Monthly Reconciliations

The Department on Aging (Department) had inadequate internal controls over the performance and review of reconciliations.

During fieldwork, we tested 45 monthly reconciliations which included reconciliations of the Office of Comptroller's (IOC) reports to the Department's records of expenditures, unexpended appropriations, cash receipts, cash balances, transfers, contracts, and obligations.

Our testing results noted the Department did not provide evidence of a monthly reconciliation having been performed for 36 of the 45 (80%) reconciliations selected for testing. Of the 9 reconciliations performed, 4 (44%) were not performed timely and 1 (11%) had no evidence of supervisory review. The late reconciliations were performed from 102 to 158 days subsequent to the end of the month, which was 42 to 98 days late.

We also noted the Department's reconciliations of expenditures included the following exceptions:

- The Fiscal Year 2021 Fund 0644 reconciliation included a reconciling item for a \$473 expenditure paid by the IOC that was subsequently voided by the IOC. The Department had not corrected its accounting records for the voided payment.
- The Fiscal Year 2022 Fund 0644 reconciliation included a reconciling item for a \$25 expenditure paid by the IOC that was subsequently voided by the IOC. The Department had not corrected its accounting records for the voided payment.
- During Fiscal Year 2022, the Department requested the IOC transfer \$4,920 of payroll related costs from Fund 0618 to Fund 0396. The Department did not record the transfer in its accounting system. The Department's accounting records also included a \$187 error for Medicare costs recorded in Fund 0618 which should have been recorded in Fund 0396.

Further, we noted the following regarding the Department's receipt reconciliations:

- The Fiscal Year 2020 Fund 0618 reconciliation included deposits in-transit of \$162,609 as of June 30, 2020. We noted \$21,529 of that amount did not carry forward as a beginning of the year deposit in-transit on the Department's Fiscal Year 2021 reconciliation.
- The Fiscal Year 2020 Fund 0396 reconciliation included deposits in-transit of \$87,286 as of June 30, 2020. We noted \$1,092 of that amount did not carry forward as a beginning of the year deposit in-transit on the Department's Fiscal Year 2021 reconciliation.
- The Fiscal Year 2021 Fund 0618 reconciliation included deposits in-transit of \$2,242,426 as of June 30, 2021. We noted \$96,200 of that amount did not carry forward as a beginning of the year deposit in-transit on the Department's Fiscal Year 2022 reconciliation.

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2022-009 **FINDING** Inadequate Controls Over Monthly Reconciliations (Continued)

- The Department's reconciliation of its receipts to the IOC's SB04 reports for Fund 0644 as of June 30, 2021, Fund 0644 as of June 30, 2022, and Fund 0001 as of June 30, 2022 were inaccurately prepared with reconciling items placed in incorrect columns, some current year refund receipt items being improperly categorized as a receipt and not an expenditure adjustment on the reconciliation, and other items not properly identified.

The Statewide Accounting Management System (SAMS) Manual (Procedures 07.30.20, 09.40.30, 11.40.20, 15.30.30, and 25.40.20) requires reconciliations of monthly reports to be completed within 60 days of the end of the month.

Proper internal controls require review of the reconciliations by an individual who did not prepare them to ensure a proper segregation of duties. Such reviews should document the reconciliations were accurately prepared and performed in a timely manner. In addition, a timing issue reconciling item at the end of one period should be a timing issue reconciling item in the beginning of the next period.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance that 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 indicated the noted issues were due to implementing a new accounting system, the complexities of posting corrections in the new system, and insufficient levels of staffing and training.

Failure to timely and properly reconcile the Department's records with the IOC's records increases the risk of inaccurate financial reporting and undetected loss or theft. Lack of appropriate supervisory review increases the likelihood of misappropriation of State assets going undetected. (Finding Code No. 2022-009, 2020-010)

RECOMMENDATION

We recommend the Department assign sufficient staff to timely reconcile its records to the IOC's records, ensure the reconciliations receive appropriate supervisory review each month, and properly adjust its accounting records when necessary.

DEPARTMENT RESPONSE

The Department concurs with this finding and is currently in the process of posting positions. During the examination period, the Department contracted with a third-party contractor to complete reconciliations on a timely basis to help remedy the deficiency. The Department will continue to use the contractor until staff can be hired. The Department is updating procedures to include a manager review each month.

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2022-010 **FINDING** Failure to Timely Submit and Post Reports

The Department on Aging (Department) failed to timely submit and post required reports.

Annual Report

The State Finance Act (30 ILCS 105/3) requires the Department, at least 10 days preceding each regular session of the General Assembly (by January 7 for fiscal years ending after May 13, 2022), make and deliver to the Governor an annual report of its acts and doings, respectively, arranged so as to show the acts and doings of each for the fiscal year ending in the calendar year immediately preceding the calendar year in which that regular session of the General Assembly convenes.

As of June 30, 2022, the Department had not yet submitted an annual report for either Fiscal Year 2020 or Fiscal Year 2021 to the Governor of the Department's acts and doings. The Department did file annual reports with the Illinois State Library Electronic Documents of Illinois (EDI) Depository on December 27, 2021 and June 24, 2022 for Fiscal Years 2020 and 2021, respectively.

Community Care Program Annual Report

The Illinois Act on the Aging (20 ILCS 105/4.02) requires the Department and the Department of Human Services (DHS) to cooperate in the development and submission of an annual report of programs and services provided under this section, which includes the Community Care Program (CCP). Such annual report is to be filed with the Governor and the General Assembly on or before September 30 of each year.

As of June 30, 2022, the Department had not submitted a CCP Annual Report for either Fiscal Year 2020 or Fiscal Year 2021 to the Governor or the General Assembly. The Department did submit the Fiscal Year 2020 CCP Annual Report to the Illinois State Library EDI Depository on September 29, 2021, (almost a year after the report was due to the General Assembly). As of July 26, 2022, the Fiscal Year 2020 CCP Annual Report had not been posted to the Department's internet site.

Home Delivered Meals

The Illinois Act on the Aging (20 ILCS 105/4.07) requires the Department to file a Home Delivered Meal Report with the General Assembly and the Illinois Council on Aging by January 1 of each year.

As of June 30, 2022, the Department had not submitted the Home Delivered Meal Reports to the General Assembly. The Department submitted the reports that were due to the General Assembly by January 1, 2021 and January 1, 2022 on December 1, 2022, 700 and 335 days late, respectively. The Department filed these reports with the Illinois State Library EDI Depository on March 12, 2021 and May 12, 2022. Copies of these reports were not available on the Department's internet site as of July 26, 2022.

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2022-010 **FINDING** Failure to Timely Submit and Post Reports (Continued)

Adult Protective Services Report

The Adult Protective Services Act (320 ILCS 20/11) requires the Department to file an annual report with the Governor and General Assembly, within 270 days after the end of each fiscal year (March 27th) concerning its implementation of the act during the fiscal year, together with any recommendations for future implementation.

As of June 30, 2022, the Department had not submitted an Adult Protective Services Report for either Fiscal Year 2020 or Fiscal Year 2021 to the Governor or General Assembly.

Older Adult Services Report

The Older Adult Services Act (320 ILCS 42/15(c)) requires the Department to file an annual report with the General Assembly by January 1 of each year on progress made in complying with the act, impediments thereto, recommendations of the Advisory Committee, and any recommendations for legislative changes necessary to implement the act.

As of June 30, 2022, the Department had posted an Older Adult Service Act Report for Fiscal Years 2017 and 2018 in August 2020. We noted no more current reports were noted to have been filed and the Department provided no evidence of reports having been submitted to the General Assembly.

State Long-Term Care Council Report

The Illinois Act on the Aging (20 ILCS 105/4.04a.(d)(4)) requires an annual report to the Governor, the General Assembly, and other interested parties concerning the duties and accomplishments of the Illinois Long-Term Care Council and all other related matters pertaining to long-term care and the protection of residents' rights.

As of June 30, 2022, we noted the most current report of the Illinois Long-Term Care Council on the Department's website was from 2011. The Department provided no evidence of newer reports having been prepared or submitted to the Governor or General Assembly.

Respite Services Report

The Respite Program Act (Act) (320 ILCS 10/12) requires the Department to file a Respite Services Report each year with the Governor and the General Assembly detailing the progress of the respite care services provided under this Act and shall also include an estimate of the demand for respite care services over the next 10 years.

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2022-010 **FINDING** Failure to Timely Submit and Post Reports (Continued)

As of June 30, 2022, the Department had not submitted the Respite Services Reports to the Governor or General Assembly. The Department submitted the Respite Services Reports for Fiscal Years 2020, 2021, and 2022 to the General Assembly on December 5, 2022, December 1, 2022 and December 1, 2022, respectively. In addition, the Fiscal Year 2022 Respite Services Report did not include an estimate of the demand for respite care services over the next 10 years. Rather, the same estimate used in the Fiscal Year 2021 Respite Services Report was reused in the Fiscal Year 2022 Respite Services Report.

The General Assembly Organization Act (Act) (25 ILCS 5/3.1) requires an agency to electronically file its required reports with the Clerk of the House of Representatives, the Secretary of the Senate, and the Commission on Government Forecasting and Accountability. Additional copies are to be filed with the State Government Report Distribution Center. The Act also requires an agency to make available for a reasonable time on its website all reports that are required to be submitted to the General Assembly by law or resolution.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2006. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

Department management indicated several factors contributed to the reporting issues noted, including staff vacancies, turnover, COVID-19, older and unclear statutes, as well as a misunderstanding that the filing with the Illinois State Library EDI Depository does not satisfy the requirements of filing with the Governor and General Assembly.

Failure to timely submit and post reports results in noncompliance with the Illinois Compiled Statutes and reduces available information to those parties interested in Department operations and for making budget and policy decisions. (Finding Code No. 2022-010, 2020-006, 2018-007, 2016-002, 2014-003, 12-05, 10-09, 08-09, 06-11)

RECOMMENDATION

We recommend the Department implement internal controls to ensure compliance with reporting requirements contained in various Acts or seek legislative remedy.

DEPARTMENT RESPONSE

The Department concurs with the findings.

The Department will implement internal controls to ensure reports are filed in accordance with the respective statutory requirements. Reports inadvertently filed with the Illinois State Library have been submitted to the Governor's Office and/or General Assembly.

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2022-010 **FINDING** Failure to Timely Submit and Post Reports (Continued)

As many of the Department's statutorily mandated reports include data collected on a federal fiscal year versus state fiscal year, this prevents the Department from filing within the statutory time frame. In addition, the Department requires time to analyze and produce a report with meaningful findings. The Department will continue to seek a legislative amendment that recognizes the availability of both state and federal data while striving to expedite the collecting, analyzing, and compilation of written reports responsive to the statutory language.

Respite Services Report: The ten (10) year projected similarities in the 2021 and 2022 reports is due to delays in the publication of U.S. Census Data that is utilized to make projections.

Adult Protective Services Report: The Department is preparing the final report for the period July 1, 2021 through June 30, 2022 for submission to the Governor and General Assembly.

State Long-Term Care Council Report: The Department is preparing a report for submission in June, 2023 and will implement internal controls to ensure a report will be submitted and posted to the website every subsequent June thereafter.

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2022-011 **FINDING** Noncompliance with the Adult Protective Service Act

The Department on Aging (Department) did not comply with notification requirements of the Adult Protective Services Act (Act).

The Act (320 ILCS 20/7.5(e)) requires the Department, as part of its investigation, to notify an eligible adult, or an eligible adult's guardian or agent, that his or her caregiver's name may be placed on the Adult Protective Service Registry (Registry) based on a verified and substantiated finding of abuse, abandonment, neglect, or financial exploitation of an eligible adult. The Department adopted an administrative rule (89 Ill. Admin. Code 270.406) requiring the Adult Protective Services (APS) provider agency to notify the eligible adult or the eligible adult's guardian or agent.

We tested 10 of 79 (13%) caregivers who had a claim of abuse, abandonment, neglect, or financial exploitation of an eligible adult had been filed against them and noted for 10 of 10 (100%) caregivers tested, the Department could not provide evidence of the Department having notified the eligible adult, or an eligible adult's guardian or agent, cared for by the caregiver, of the occurrence. After the exception was provided to the Department, the Department provided case notes from the APS provider indicating the Department's "Know Your Rights" brochure was provided to the eligible adult for 7 of the 10 (70%). For the remaining 3 of the 10 (30%), the case notes indicated the APS case worker was working in the client's best interest so the "Know Your Rights" brochure was not left. We also requested the Department provide evidence of notification to any other eligible adults serviced by these same caregivers. No additional documentation was provided.

Department management indicated the APS provider agencies are responsible for notifying eligible adults (or their guardian), and the Department does not monitor the APS provider due to inadequate staffing levels. Department management also indicated the "Know Your Rights" brochure is not left when an APS provider is working in the client's best interest and the eligible adult is incapacitated and without a guardian, power of attorney, or other agent.

The Act places the notification responsibility on the Department, adopting an administrative rule placing the responsibility on the APS provider does not relieve the Department of its responsibility. Failure to either adequately monitor the APS provider agency or to notify the eligible adult, or the eligible adult's guardian or agent, that their caregiver may be placed on the Adult Protective Service Registry weakens the overall purpose of the Act to protect the eligible adult. (Finding Code No. 2022-011)

RECOMMENDATION

We recommend the Department either comply with notification requirements of the Act itself, or it should implement internal controls to adequately monitor the APS providers to ensure the notification requirements of the Act are met.

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2022-011 **FINDING** Noncompliance with the Adult Protective Service Act (Continued)

DEPARTMENT RESPONSE

The Department disagrees with the finding. In the second quarter of Fiscal Year 2022, the Office of Adult Protective Services updated and combined the two existing brochures (“Know Your Rights” and “Working Together”) to a unified and comprehensive brochure entitled “Working Together”. Each individual who possessed capacity was provided with the, “Working Together” brochure which was developed by the Department and carries the State of Illinois seal. The Department contracts with provider agencies to conduct the investigations of abuse, neglect, exploitation, and self-neglect, and in this contractual capacity serves as an affiliate of the Department. The Department supplies the brochures to the provider agency to serve as notification as the contracted agencies complete all APS investigations and have direct contact with the clients served. The Department created the brochure to fulfill the requirement of notifying alleged victims of the potential for their caretaker to be placed upon the registry. The Department reviews each substantiated caretaker case, which includes compliance review ensuring that all necessary elements of the case were conducted per procedure, including the provision of the “Working Together” brochure to clients who possess capacity.

ACCOUNTANT’S COMMENT

The Act requires the Department, as part of its investigation, to notify an eligible adult, or an eligible adult’s guardian or agent, that his or her caregiver’s name may be placed on the Registry based on a verified and substantiated finding of abuse, abandonment, neglect, or financial exploitation of an eligible adult. The Department has contracted its responsibilities (including investigation and notification) to various APS providers. The Department developed a brochure intended to serve as notification to eligible adults. The brochure details various rights of the eligible adult and does state possible outcomes for the caregiver. For 2 of the 3 instances where the accountants were informed that the APS provider was working in the client’s best interests and no brochure was left with the eligible adult, no case notes were provided to support the claim.

In addition, the accountants requested evidence of notification of any other eligible adults serviced by the same caregiver. The Department did not respond to those requests and no documentation was provided.

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2022-012 **FINDING** Inadequate Controls over Change Management

The Department on Aging (Department) lacked adequate internal controls over changes to be made to its information systems.

During fieldwork, we reviewed the Department's Change Control Procedures, noting the Procedures did not address:

- Controls over changes other than major/critical.
- Approval processes, other than to move to production.
- Testing requirements and testing documentation requirements.
- Post implementation review requirements.

In September 2018, the Department implemented the Adult Protective Services - Case Management System (CMS) to report, maintain, and track reports of allegations of abuse or self-neglect. CMS is utilized by multiple entities: State agencies, local service entities, and law enforcement.

During the examination, we selected a sample of five changes made to the CMS, noting the program team's move-to-production authorization was not formally documented for five (100%) changes.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

The Framework for Improving Critical Infrastructure Cybersecurity and The Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), System Development Life Cycle section, requires entities to develop controls to ensure applications are modified in a manner that promotes consistency, integrity, and security.

Further, the Department's Change Control Procedure stated the requisition for move to production was to be approved by the program team, via email, prior to deployment to production.

Department management indicated the Department of Innovation and Technology (DoIT) was responsible for the controls over changes to their applications and data, as they had no resources of its own. Department management also indicated the program team generally provides verbal confirmation during a meeting before deploying changes to be placed into production.

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2022-012 **FINDING** Inadequate Controls over Change Management (Continued)

The failure to implement sufficient controls over changes to its information systems increases the risk of unauthorized or improper changes being made. The failure to document program team approvals increases the risk CMS will not have the required accuracy, integrity, availability and security. (Finding Code No. 2022-012, 2020-016)

RECOMMENDATION

We recommend the Department fully document the procedures to be performed for all changes to its information systems, including approvals throughout the process, testing requirements and documentation of testing performed, and post implementation reviews.

DEPARTMENT RESPONSE

The Department partially concurs with the finding. Prior to the transformation to DoIT in April 2022, the Department utilized DoIT's controls over changes to the Adult Protective Services - Case Management System (CMS) and other changes to applications and data. Going forward, the Department will develop formal, comprehensive, and adequate controls to document changes to the applications and data and obtain approval from a subject matter expert on the programming team.

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2022-013 **FINDING** Failure to Develop a Plan of Enforcement Relating to the Home Care Consumer Bill of Rights

The Department on Aging (Department) failed to comply with the requirements of the Rehabilitation of Persons with Disabilities Act (Act) by not working with the Department of Human Services (collectively referred to as the Departments) in developing a plan to enforce the Home Care Consumer Bill of Rights and posting the best practices of the enforcement on the Departments' websites.

Effective in August 2014, the Act (20 ILCS 2405/17.1(i)) requires the Departments to develop a plan for enforcing the Home Care Consumer Bill of Rights. In developing the plan, the Departments are to establish and take into account best practices for enforcement of those rights. The Departments are also required to make those best practices available to the public through their official websites. The plan for enforcing the Home Care Consumer Bill of Rights should include a description of how entities with a role in protecting older adults aged 60 or older and persons with disabilities aged 18 through 59 will coordinate activities to enforce the Home Care Consumer Bill of Rights.

During our testing, we noted that while a Home Care Consumer Bill of Rights pamphlet has been developed and printed by the Departments, no formal plan addressing the enforcement was able to be provided to us.

Department management indicated the program felt that the distribution of the Home Care Bill of Rights was sufficient to meet the requirements.

Failure to jointly develop a plan for enforcement of the Home Care Consumer Bill of Rights may lessen the effectiveness of the rights. In addition, failure to make best practices for enforcement available to the public on the Departments' websites impedes transparency and public knowledge, as well as, constitutes noncompliance with the Act. (Finding Code No. 2022-013)

RECOMMENDATION

We recommend the Department work with the Department of Human Services to develop a formal plan for enforcing the Home Care Consumer Bill of Rights and make the best practices for the enforcement available on the Departments' websites as required by the Act, or seek legislative remedy from the requirements of the Act.

DEPARTMENT RESPONSE

The Department partially concurs with the finding.

The Department, along with input and feedback from the Department of Human Services (DHS), developed the Home Care Consumer Bill of Rights pamphlet which includes the covered population, the rights for covered population, the contact information for the Home Care Ombudsman Program, the phone number for the Senior Help Line at the Department, and information on how to report abuse, neglect, and/or exploitation. This pamphlet is currently posted to the Agency's website.

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2022-013 **FINDING** Failure to Develop a Plan of Enforcement Relating to the Home Care Consumer Bill of Rights (Continued)

<https://ilaging.illinois.gov/programs/ltcombudsman/the-home-care-ombudsman-program.html>

The informational pamphlet is also shared with anyone who reaches out to the Home Care Ombudsman Program and distributed at every outreach event. Home Care Ombudsmen educate each participant they work with, regarding their rights under the Home Care Bill of Rights and empower them to advocate on their own behalf while still providing any assistance requested.

In addition, the Department's Home Care Ombudsman Program continues to work directly with the DHS' Division of Rehabilitation Services concerning the rights of participants and ensuring these rights aren't violated through 1-on-1 discussions about specific individuals and monthly meetings that include representatives of both DHS and the Home Care Ombudsman. Being 100% participant directed, the Home Care Ombudsman Program is only able to advocate to the extent the participant consents to. In this manner and in consideration of the strict guidelines of confidentiality and permission, the Department views its role in "enforcing" the Home Care Bill of Rights is to inform as many individuals as possible of the Home Care Bill of Rights, the rights themselves, and what entities to contact if an individual feels those rights have been violated.

Furthermore, the State of Illinois House and Senate transcripts from this public act make no mention of enforcement or defining what enforcement looks like. However, the Department will work to clarify the language in the Act (20 ILCS 2405/17.1(i)) to better explain the level of enforcement the Department is able to perform.

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2022-014 **FINDING:** Failure to Comply with Intergovernmental Agreement Responsibilities in Connection with the Illinois Medicaid Program Advanced Cloud Technology (IMPACT)

The Department on Aging (Department) did not comply with the responsibilities assigned to it pursuant to an Intergovernmental Agreement (IA) with the Department of Healthcare and Family Services (HFS) in connection with IMPACT.

IMPACT is a multi-agency effort to replace Illinois' legacy Medicaid Management Information System with a web-based system to give providers a more convenient and consistent user experience, and ensure clients receive timely and high-quality Medicaid services.

We reviewed the terms of the IA and performed testing of the Department's assigned responsibilities contained within the IA. We noted the Department did not comply with article 2.03(j) which requires the Department, if it performs a license, site visit or other screening or enrollment requirement for qualification to perform services under the Department's Community Care Program (CCP), to document that such was performed in the IMPACT system and retain copies of the documentation.

We inquired whether the Department performs screenings, site visits or other monitoring of CCP providers and whether documentation of such is recorded in the IMPACT system. Department management stated each provider has a site visit prior to becoming a CCP provider, however, it is not documented in the IMPACT system.

Department management indicated its providers are not required to be licensed, therefore this part of the IA does not apply to the Department's providers and the Department does not need to make an entry in the IMPACT system.

Failure to adhere to responsibilities noted within the terms of the IA limits HFS' ability to properly perform its functions as the State's Medicaid Agency which could result in the State seeking Medicaid federal participation reimbursements for ineligible expenditures, the State could become noncompliant with federal laws and regulations, resulting in denied claims, sanctions and/or loss of future federal funding, and ultimately inaccurate financial statements or financial information. (Finding Code No. 2022-014)

RECOMMENDATION

We recommend the Department fully comply with the terms of the executed IA or update the language of the IA if it includes provisions that are not applicable to the Department or its providers.

DEPARTMENT RESPONSE

The Department partially concurs with the finding. The Department enters data in the IMPACT system confirming a provider has met the enrollment requirements that include an on-site visit. However, the Department does not have access to the fields in the IMPACT system to "explicitly describe each screening and requirement together

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2022-014 **FINDING:** Failure to Comply with Intergovernmental Agreement Responsibilities in Connection with the Illinois Medicaid Program Advanced Cloud Technology (IMPACT) (Continued)

with the date of completion” and has not received training from HFS to meet this responsibility under the IA. The Department will work with HFS to clarify the data that should be documented in the IMPACT system, ensure necessary training of Department staff and if necessary, modify the terms of the IA.

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2022-015 **FINDING** Weaknesses in Cybersecurity Programs and Practices

The Department on Aging (Department) had not implemented adequate internal controls related to cybersecurity programs and practices.

As a result of the Department's mission to serve and advocate for older Illinoisans and their caregivers by administering quality and culturally appropriate programs that promote partnerships and encourage independence, dignity, and quality of life, the Department maintains computer systems that contain large volumes of confidential and personal information such as names, addresses and Social Security numbers of the citizens of the State.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review the State agencies and their cybersecurity programs and practices. During our examination of the Department's cybersecurity program, practices, and control of confidential information, we noted the Department:

- Had not developed a formal, comprehensive, adequate and communicated security program (policies, procedures, and processes) to manage and monitor the regulatory, legal, environmental and operational requirements.
- Did not require employees and contractors to acknowledge receipt of security policies and procedures.
- Had not developed a project management framework to ensure new applications were adequately developed and implemented in accordance with management's expectations.
- Had not defined cybersecurity roles and responsibilities.
- Did not have policies documenting guidelines for reporting security violations and suspected violations.
- Had not established a cybersecurity plan documenting the Department's security program, policies and procedures.
- Had not conducted a comprehensive risk assessment or implemented risk reducing internal controls.

In addition, the Department was unable to provide documentation regarding the security events that had occurred and the vulnerability scans completed during the examination period. Further, the Department could not provide documentation regarding the security solutions utilized to monitor the security and resilience over their applications and data. Therefore, we were unable to conduct testing. Due to these conditions, we were able to conclude the Department's records were not sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36).

The Framework for Improving Critical Infrastructure Cybersecurity and the Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Security and Privacy controls, Incident Response, and Risk Assessment sections, require entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints

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2022-015 **FINDING** Weaknesses in Cybersecurity Programs and Practices (Continued)

in order to ensure the security of their applications, data, and continued business mission.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

Department management indicated the Department of Innovation and Technology (DoIT) was responsible for cybersecurity controls, and the Department did not have sufficient resources to carry out these responsibilities.

Failure to implement internal controls related to cybersecurity programs, practices and control of confidential information could result in unidentified risk and vulnerabilities and ultimately lead to the Department's volumes of personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2022-015, 2020-009)

RECOMMENDATION

We recommend the Department work with DoIT to obtain a detailed understanding of each party's responsibilities related to cybersecurity controls. Further, we recommend the Department:

- Develop a formal, comprehensive, adequate and communicated security program (policies, procedures, and processes) to manage and monitor the regulatory, legal, environmental and operational requirements.
- Require employees and contractors to acknowledge receipt of security policies and procedures.
- Develop a project management framework to ensure new applications are adequately developed and implemented in accordance with management's expectations.
- Define cybersecurity roles and responsibilities.
- Develop policies documenting guidelines for reporting security violations and suspected violations.
- Establish a cybersecurity plan documenting the Department's security program, policies and procedures.
- Conduct a comprehensive risk assessment or implement risk reducing internal controls.

In addition, we recommend the Department obtain, review, and maintain documentation regarding the security events and vulnerability scans impacting the Department. Further, we recommend the Department obtain, review, and maintain documentation regarding the security solutions utilized to monitor the security and resilience over their applications and data.

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2022-015 **FINDING** Weaknesses in Cybersecurity Programs and Practices (Continued)

DEPARTMENT RESPONSE

The Department partially concurs with the finding. Prior to the transformation to DoIT in April 2022, the Department utilized DoIT's cybersecurity programs and practices policies. The Department currently requires employees and contractors to acknowledge receipt of security policies and procedures as part of the onboarding process for new hires.

The Department will implement the following to address the finding:

- Develop a formal, comprehensive, adequate, and communicated security program (policies, procedures, and processes) to manage and monitor the regulatory, legal, environmental, and operational requirements.
- Develop a project management framework to ensure new applications are adequately developed and implemented in accordance with management's expectations.
- Define cybersecurity roles and responsibilities.
- Develop policies documenting guidelines for reporting security violations and suspected violations.
- Conduct a comprehensive risk assessment and implement risk reducing internal controls.

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2022-016 **FINDING** Inaccurate Debt Transparency Reporting

The Department on Aging (Department) failed to file accurate and timely Debt Transparency Reports with the Office of Comptroller (IOC) and did not retain documentation supporting the data reported.

The State Finance Act (Act) (30 ILCS 105/9.08) requires the Department to report on a monthly basis to the IOC current State liabilities held at the agency and estimated accrued interest penalties. Each agency's reported State liabilities are to be posted monthly on the IOC's public website.

During fieldwork, we selected for testing 4 (17%) of the 24 reports required to be filed by the Department during the examination period. Our testing results noted the following:

- Two reports (50%) were not submitted timely. The reports were submitted 12 and 37 days (2 and 27 days late) after the end of the previous month.
- The Department did not retain detailed records supporting the amounts reported for the 4 (100%) debt transparency reports tested.
- The Department had not developed an estimation methodology with documented procedures for estimated liabilities. The Department paid numerous service providers on a reimbursement basis; however, none of the reports tested showed an estimate of these incurred liabilities not yet invoiced by the service provider.

Further, we noted the following on the Department's June 30 debt reports:

Over/(Under) Estimates on Year End Debt Transparency Reports			
Liability	Reported Estimate	Subsequently Paid	Misstatement
<u>6/30/22</u>			
Lapse Period	\$0	\$83,981,657	(\$83,981,657)
Interest	0	1,408	(1,408)
Total	\$0	\$83,983,065	(\$83,983,065)
<u>6/30/21</u>			
Lapse Period	\$0	\$93,744,848	(\$93,744,848)
Interest	0	0	0
Total	\$0	\$93,744,848	(\$93,744,848)

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2022-016 **FINDING** Inaccurate Debt Transparency Reporting (Continued)

The Statewide Accounting Management System (SAMS) Manual (Procedure 33.17.20) provides instructions for completion of the monthly debt transparency report. Amongst other requirements, it specifically requires the Department to report on Form SCO-961:

- liabilities for proper bills that have been received but have not been fully processed for payment as of the end of the month;
- prompt payment interest owed on bills that have already been paid; and,
- estimated liabilities owed which have not yet been properly invoiced.
- amounts reported are to be rounded to the nearest thousand dollars.

The SAMS Manual (Procedure) further requires the debt transparency report to be filed by the 10th calendar day of each month and requires agencies to develop an estimation technique with documented procedures to estimate liabilities.

Lastly, the State Records Act (5 ILCS 160/8) requires the Department to make and preserved records containing adequate and proper documentation of the essential transactions of the agency designed to furnish information and protect the financial rights of the State.

Department management indicated the Department staff do not have the knowledge to create an estimation process given their current resources. Department management further indicated the records are generated from a canned software and reviewed for reasonableness; however, copies are not retained. Also, Department management indicated the reports were not timely filed due to competing priorities.

Failure to develop, document, and properly report the Department's liabilities reduces the State's transparency and limits the IOC's ability to report accurate amounts of unpaid bills. (Finding Code No. 2022-016, 2020-021)

RECOMMENDATION

We recommend the Department develop and document an estimation methodology based on historical or other data in order to timely and properly report its liabilities to the IOC on a monthly basis on the SCO-961 forms as required. We further recommend the Department maintain supporting documentation for amounts reported.

DEPARTMENT RESPONSE

The Department concurs with this finding and has developed a report within the statewide accounting system to assist with documenting projecting liabilities. The Department has also put in place a methodology to estimate liabilities that will occur in the next month.

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2022-017 **FINDING** Electronic Devices Weakness

The Department on Aging (Department) failed to maintain adequate internal controls over electronic devices.

During the examination, we requested the Department provide a population of electronic storage devices (computers, servers, laptops, etc) sent to surplus in order to determine if the device had been properly “wiped” prior to disposal. In response to our request, the Department provided a population of 103 devices. We compared the population to other records obtained from the Department during the examination and concluded the population was not complete and accurate.

Due to these conditions, we were unable to conclude whether the Department’s population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36). **Even given the population limitations noted above, we conducted testing of the population.** Our testing noted the Department did not maintain documentation demonstrating the 103 devices had been wiped prior to being sent to surplus.

The State Records Act (5 ILCS 160/8) requires the head of each agency to cause to be made and preserved records containing adequate and proper documentation of the essential transactions of the agency designed to furnish information and protect the financial rights of the State.

The Data Security on State Computers Act (20 ILCS 450/20) requires the Department to implement a policy to mandate all hard drives of surplus electronic data processing equipment be wiped of sensitive data and software prior to disposal.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently and effectively and in compliance with applicable law.

Department management indicated the devices had been wiped; however, documentation was not retained due to employee turnover.

Failure to ensure adequate internal controls over the wiping of electronic devices could result in the theft or unauthorized access to the Department’s data. (Finding Code No. 2022-017)

RECOMMENDATION

We recommend the Department maintain a complete and accurate inventory of all information technology equipment, and documentation that electronic devices have been appropriately wiped as required by the Data Security on State Computers Act.

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2022-017 **FINDING** Electronic Devices Weakness (Continued)

DEPARTMENT RESPONSE

The Department concurs with the finding. During the examination period, the Department's IT staff, and electronic equipment were transitioned to DoIT, and turnover occurred in the IT staff assigned to the Department. Much of the equipment cited in the finding was obsolete equipment the Department could not locate transfer records for. Following the transitioning of Department IT staff to DoIT and filling vacant positions in the IT staff assigned to the Department, procedures have been implemented to require transfer receipts for all equipment removed from the building and verification that all electronic media has been wiped.

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2022-018 **FINDING:** Inadequate Internal Controls over Vehicle Maintenance

The Department on Aging (Department) did not implement adequate internal controls over maintenance schedules adopted for Department's motor vehicles.

During our testing, we noted the Department had a fleet of 7 vehicles leased from the Department of Central Management Services (CMS) for the years ending June 30, 2021, and June 30, 2022. We selected all seven vehicles for testing of vehicle maintenance documentation and noted all seven (100%) did not receive timely oil changes and four (57%) did not receive timely tire rotations. In addition, Department vehicle maintenance records for Fiscal Year 2022 were incomplete. A records gap from January 2022 through May 2022 for each of the vehicle maintenance logs hindered our ability to determine specific dates on which vehicles were due for maintenance.

The CMS Vehicle Usage Program requires user agencies to follow prescribed maintenance intervals. Those intervals include oil changes to be performed every 5,000 miles or 12 months, whichever comes first and tire rotations every other oil change.

The Illinois Administrative Code (44 Ill. Admin. Code 5040.600) requires the Department's Vehicle Use Coordinators to implement and oversee vehicle logs, monitoring and managing the efficient use of Department vehicles relative to breakeven points and cost efficiency as well as overseeing vehicle maintenance, repair, fuel and cost data.

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

Department management indicated noncompliance resulted from inadvertent oversight due to a vacancy in the position(s) responsible for this work and competing priority assignments for other available staff in the Fiscal Office.

Failure to perform timely maintenance on Department vehicles could result in more significant expenditures related to the repair and replacement of vehicles in the future. Further, failure to maintain complete vehicle records resulted in our inability to perform testing. (Finding Code No. 2022-018)

RECOMMENDATION

We recommend the Department comply with the CMS Vehicle Usage Program requirements for maintenance of Departmental vehicles and ensure vehicle records are complete and properly maintained.

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2022-018 **FINDING:** Inadequate Internal Controls over Vehicle Maintenance (Continued)

DEPARTMENT RESPONSE

The Department concurs with this finding. The Department recently hired a staff member to oversee the Department vehicles and developed procedures to comply with the CMS Vehicle Usage Program requirements for maintenance.

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2022-019 **FINDING** Failure to Report on Care Coordination Unit Performance

The Department on Aging (Department) failed to report on Care Coordination Unit performance during the engagement period.

During fieldwork, we requested and the Department was unable to provide reports of its quarterly review of Care Coordination Unit performance and adherence to service guidelines during the examination period to legislative leaders.

The Illinois Act on the Aging (Act) (20 ILCS 105/4.02) requires quarterly review of and reporting of the Department's review of Care Coordination Unit performance and adherence to service guidelines to the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the President of the Senate, and the Minority Leader of the Senate. Data which must be collected and reported includes longitudinal performance data.

Department management indicated the Department did not seek legislative remedy to eliminate the outdated requirement since the last compliance examination due to management oversight.

Failure to prepare and submit performance reports required by the Act reduces monitoring, oversight, and accountability and deprives the General Assembly of information which it may need to make informed decisions. Further, it represents noncompliance with the Act. (Finding Code No. 2022-019, 2020-018)

RECOMMENDATION

We recommend the Department comply with reporting and review provisions of the Act or seek a statutory revision to remove the requirement.

DEPARTMENT RESPONSE

The Department concurs with the finding. The Department meets the objective(s) of the statutorily required progress report that was tied to the 2014 Community Care Program reforms. In 2017, the Department sought a legislative remedy that was sponsored by the House and Senate and passed out of both committees. However, the legislation remained in the House rules committee on 2nd reading. The Department continues to monitor the CCUs with quarterly meetings that have a standardized agenda along with performance reports to generate discussion around compliance; these meetings are documented.

Since 2017, the Department experienced several staff changes but will once again seek a future legislative remedy to eliminate the outdated requirements in Public Act 98-0008.

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2022-020 **FINDING** Noncompliance with the Hospital Licensing Act

The Department on Aging (Department) did not comply with the requirements of the Hospital Licensing Act (Act).

In order to facilitate the orderly transition of aged patients from hospitals to post-hospital care, the Act (210 ILCS 85/6.09) requires the Department to notify the Department of Healthcare and Family Services (HFS) of instances in which Case Coordination Units are unable to complete assessments in a hospital prior to the discharge of a patient, 60 years of age or older, to a nursing home. The Act also requires the Department to adopt rules to address these instances to ensure that the patient is able to access nursing home care, the nursing home is not penalized for accepting the admission, and the patient's timely discharge from the hospital is not delayed.

During the examination period, we noted the Department did not notify HFS of instances in which Case Coordination Units were unable to complete assessments in a hospital prior to the discharge of a patient, 60 years of age or older, to a nursing home. We further noted although the Department adopted administrative rules and an operations policy addressing the screening requirements, we saw no evidence of rules adopted to ensure that the patient is able to access nursing home care, the nursing home is not penalized for accepting the admission, and the patient's timely discharge from the hospital is not delayed.

Department management indicated the statutory requirement to notify HFS was deemed to be inefficient as written. In March 2022, HFS launched a new electronic system "AssessmentPro" for complying with the Federal CMS Preadmission Admission Screening and Resident Review requirement to manage the assessment process for preadmission screening and resident review.

Failure to comply with the Hospital Licensing Act prevents fulfillment of the Act's purpose. In addition, failure to comply with required communication protocol limits the ability to monitor the transition of aged patients from hospitals to post-hospital care. (Finding Code No. 2022-020)

RECOMMENDATION

We recommend the Department comply with the Act or seek a legislative remedy to modify the Act as it applies to the Department's responsibility to notify HFS of instances in which case coordination units were unable to complete assessments in a hospital prior to the discharge of a patient, 60 years of age or older, to a nursing home. In addition, we recommend the Department amend its administrative rules and operations policy to ensure all requirements of the Act are fully addressed.

DEPARTMENT RESPONSE

The Department concurs with this finding. In March 2022, HFS launched a new electronic system "AssessmentPro" for purposes of complying with the Federal CMS Preadmission Admission Screening and Resident Review requirement. The

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2022-020 **FINDING** Noncompliance with the Hospital Licensing Act (Continued)

Department will continue to collaborate with HFS to ensure compliance with this statutory requirement and seek revisions to the administrative rules.

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2022-021 **FINDING** Failure to Develop a Program to Identify the Special Needs and Problems of Minority Senior Citizens

The Department on Aging (Department) failed to develop a program to identify the special needs and problems of minority senior citizens as required by the Illinois Act on the Aging (Act).

Effective in August 2007, the Act (20 ILCS 105/4.06) requires the Department to develop a program to identify the special needs and problems of minority senior citizens and evaluate the adequacy and accessibility of existing programs and information for minority senior citizens. This Act also requires the Department to develop procedures to enhance and identify availability of services and promulgate administrative rules to establish the responsibilities of the Department. The Department is also required to coordinate services for minority senior citizens and develop and submit an annual report with the Department of Public Health, the Department of Healthcare and Family Services, and the Department of Human Services to the Governor and the General Assembly on or before September 30 of each year.

During fieldwork, we noted the Department provided numerous statewide services which were inclusive of all Illinois senior citizens, including Illinois minority senior citizens during the examination period. The Department also assisted with coordinating services with other State agencies across State programs, including applications for Medicaid and Supplemental Nutrition Assistance Program benefits with local offices of the Department of Human Services and the Department of Healthcare and Family Services, for all of the citizens served by the Department.

In Fiscal Year 2022, the Department entered into an interagency agreement with one of the State universities to study and evaluate the Department's approach to identifying the special needs and problems of minority senior citizens, evaluate the adequacy and accessibility of existing programs for minority senior citizens, and develop a comprehensive outreach plan to address the anticipated changing demographics in Illinois' older adult population, but it was not completed by the end of Fiscal Year 2022. Thus, as of June 30, 2022, the results of our testing indicated the Department had not yet developed a prescribed program to identify the special needs and problems specific to minority senior citizens as opposed to all senior citizens. Therefore, we also noted the Department had not promulgated any administrative rules to establish the responsibilities of the Department related to a separate program targeting minority senior citizens, and had not coordinated services specific to targeted minority senior citizens with the other named departments pursuant to the Act.

Additionally, during fieldwork, we noted that although the Department and other designated agencies jointly filed Serving Minority Seniors annual reports which provided demographic information for the Department's existing programs for all senior citizens, we observed those reports contained almost no information on programs and services specific to minorities as provided under this section of the Act.

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2022-021 **FINDING** Failure to Develop a Program to Identify the Special Needs and Problems of Minority Senior Citizens (Continued)

We further noted the annual reports were compiled and submitted to the Illinois State Library Electronic Documents of Illinois (EDI) Depository by September 30, but 15 months instead of 3 months following completion of the State's fiscal year. Neither annual report was submitted to the Governor or General Assembly during the examination period.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2018. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

Department management indicated the Department did not develop a specific program to address this mandated responsibility as the Department participates in numerous outreach events to obtain greater understanding of the needs of minority senior citizens through its existing programs. Department management also indicated it unsuccessfully sought a legislative remedy in a prior year to clarify the reporting requirement because the Department believes 3 months is not sufficient time to compile the information of the four departments and publish a report. In addition, Department management indicated it misunderstood that the filing with the Illinois State Library EDI Depository does not satisfy the requirements of filing with the Governor and the General Assembly.

Failure to develop and evaluate programs and information, develop procedures and administrative rules and work with designated health and human service agencies to coordinate services and annually report regarding the special needs and problems of minority senior citizens fails to satisfy the legislation's objective of identifying and addressing challenges unique to minority senior citizens. (Finding Code No. 2022-021, 2020-007, 2018-008)

RECOMMENDATION

We recommend the Department comply with the Act or seek a statutory revision.

DEPARTMENT RESPONSE

The Department concurs with the finding. The Department will create an internal workgroup to determine strategies to identify the needs of minority seniors, including meeting with our providers. The workgroup will also review the recently completed study, done by one of the Area Agencies on Aging, to help identify the needs. The Department will also seek a statutory amendment to the Act that supports the existing programs, services, and strategies that identify the needs of minority seniors.

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2022-022 **FINDING** Failure to Establish a Prevention of Unnecessary Institutionalization Grant and Loan Program

The Department on Aging (Department) failed to request an appropriation in order to establish a Prevention of Unnecessary Institutionalization Grant and Loan Program (Program) which is required by the Prevention of Unnecessary Institutionalization Act (Act).

Effective in July 2001, the Act (310 ILCS 100/20 thru 100/30) requires, subject to appropriation for these purposes, the Department to establish the Program jointly with the Department of Human Services (DHS). One component is to be administered by DHS and the other component is to be administered by the Department. The component of the Program administered by the Department is to provide grants or loans or both to persons age 60 or over if they have one or more verifiable impairments that substantially limits one or more of life's major activities for which some modification of their dwelling or assistive technology devices, or both, are required which they are unable to afford because of limited resources. The Act also requires the Department and DHS to jointly adopt administrative rules consistent with the Act.

During our testing, we inquired about the Department's efforts to establish the Program, in collaboration with DHS. This inquiry included whether or not the Department requested an appropriation for the establishment of the Program in Fiscal Years 2021 and 2022, and whether or not the Department and DHS had jointly adopted administrative rules governing the program. The Department responded that it did not request or receive an appropriation specifically for the Program, and it and DHS have not adopted administrative rules related to the Program.

Department management indicated the Department's existing Community Care Program is targeted to prevent the unnecessary institutionalization of the State's elderly and disabled citizens; therefore, an appropriation was not requested, administrative rules were not adopted, and the Program was not established jointly with DHS.

Failure to request an appropriation and establish the Program, including adopting joint administrative rules, is considered noncompliance with the Act. Further, failure to implement the required Program may deprive eligible participants from obtaining much-needed assistance in the form of dwelling modifications or assistive technology devices if the Department's already established programs do not fulfill all needs of the State's elderly and disabled citizens. (Finding Code No. 2022-022)

RECOMMENDATION

We recommend the Department request an appropriation and work with DHS to adopt administrative rules and establish the Program required by the Act. If the Department deems the services the Program would provide would be duplicative of programs already administered by the Department, we recommend the Department work with the Illinois General Assembly to seek a legislative remedy.

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2022-022 **FINDING** Failure to Establish a Prevention of Unnecessary Institutionalization Grant and Loan Program (Continued)

DEPARTMENT RESPONSE

The Department partially concurs with the finding. The Department has neither the authority nor expertise to administer a loan program with taxpayer dollars. Although the Department did not request additional appropriations, the Department is statutorily mandated to create programs that prevent premature institutionalization. (20 ILCS 105/4.02) (from Ch. 23, par. 6104.02) Sec. 4.02. Community Care Program (CCP). The Department, has developed other grant programs which provide technology, assistance with home modifications, medically and culturally appropriate home delivered meals, assistance with heating and cooling, respite care, transportation to doctor's appointments, vaccination clinics, in-home service, adult day service, senior companions, congregate meals for socialization, these and other assistance is provided through a combination of grants and fee for service delivery systems funded both at a State and Federal level to help prevent a decline in seniors ability to remain safe and healthy at home.

The Department maintains a regular dialog with sister agencies, including the Department of Healthcare and Family Services and DHS, for the purposes of identifying where programs intersect to ensure individuals receive the most appropriate supports and services. In addition, the Department continues to work to add services and expand supports under the Persons who are Elderly Waiver (CCP). In 2020, the Department collaborated with DHS to successfully launch the Illinois Cares Connections Program which provides eligible individuals served by both Departments with assistive technology to mitigate against social isolation during the COVID-19 pandemic.

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2022-023 **FINDING** Weaknesses in Disaster Contingency Planning and Testing

The Department on Aging's (Department) disaster recovery plans contained weaknesses and disaster recovery testing had not been performed.

The Department meets its mission through the use of information technology. In order to determine if the Department would be able to recover its applications and data in the event of a disaster, we reviewed the Information System Contingency Plans (ISCP) for the Department's 17 applications. During our review, we noted:

- The Department had not developed ISCPs for 2 of their identified applications (12%).
- The Department had not developed detailed recovery instructions within 15 of 15 (100%) ISCPs.
- The Recovery Time Objective was not documented within 3 of 15 (20%) ISCPs.
- A Business Impact Analysis had not been completed for 3 of 15 (20%) ISCPs.

In addition, we noted the Department had not conducted disaster recovery testing during the examination period.

The *Contingency Planning Guide for Information Technology Systems* published by the National Institute of Standards and Technology (NIST) requires entities to have an updated and regularly tested disaster contingency plan to ensure the timely recovery of applications and data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

Department management indicated the Department of Innovation and Technology (DoIT) was responsible for the recovery of its applications and data, and the Department did not have sufficient resources to carry out these responsibilities.

Without an adequately documented and tested disaster recovery plan, the Department cannot ensure its critical systems could be recovered within an acceptable period, and therefore minimizing the impact associated with a disaster. (Finding Code No. 2022-023, 2020-015)

RECOMMENDATION

We recommend the Department work with DoIT to obtain an understanding of each party's responsibilities as it relates to recovering its applications and data. We also recommend the Department develop ISCPs for all of its applications. Further, we recommend the Department review the ISCPs and ensure they document detailed recovery instructions, document Recovery Time Objectives, and Business Impact Analysis have been conducted.

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2022-023 **FINDING** Weaknesses in Disaster Contingency Planning and Testing (Continued)

In addition, we recommend the Department conduct disaster recovery testing at least annually.

DEPARTMENT RESPONSE

The Department partially concurs with the finding. Prior to the transformation to DoIT in April 2022, the Department utilized DoIT's planning and testing policy. The Department will implement the following to address the findings:

- Develop ISCPs for two of their identified applications.
- Develop detailed recovery instructions.
- Ensure recovery times will be documented.
- Complete a Business Impact Analysis.

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2022-024 **FINDING** Failure to Make a Grant to Study Employment Plan

The Department on Aging (Department) failed to make a grant to an institution of higher learning to study the feasibility of an affirmative action employment plan for persons 60 or more years old.

The Illinois Act on the Aging (Act) (20 ILCS 105/4.01(14)) requires the Department to make a grant to an institution of higher learning to study the feasibility of establishing and implementing an affirmative action employment plan for the recruitment, hiring, training and retraining of persons 60 or more years old for jobs for which their employment would not be precluded by law.

During our testing, we noted the Department did not request an appropriation to make the grant for Fiscal Years 2021 or 2022. In November 2021, the Department entered into an agreement with Northern Illinois University (NIU) to carry out a study of the Department's employment practices relevant to the statute above; however, NIU was unable to perform the scope of work defined in the intergovernmental agreement. As a result, no payment was issued to NIU (no grant was made by the Department).

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2016. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

Department management indicated previous attempts for statutory revision were unsuccessful, so the Department attempted to comply by entering into an interagency Agreement with NIU to study the Department's employment practices.

Failure to make a grant to an institution of higher learning to study the feasibility of establishing and implementing an affirmative action employment plan may impede growth and involvement in training and employing persons over 60 years old. (Finding Code No. 2022-024, 2020-008, 2018-009, 2016-004)

RECOMMENDATION

We recommend the Department request an appropriation and make the grant required by the Act or seek a legislative remedy to the current statutory requirement.

DEPARTMENT RESPONSE

The Department concurs with the finding and will continue to seek legislative remedy.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-025 **FINDING** Failure to Share Data with the State Board of Elections

The Department on Aging (Department) did not share data with the State Board of Elections.

The Illinois Act on the Aging (Act) (20 ILCS 105/4.02) requires the Director of the Department to make information available to the State Board of Elections as may be required by an agreement the State Board of Elections has entered into with a multi-state voter registration list maintenance system. The State Board of Elections' agreement with the multi-state voter registration list maintenance system requires the State Board of Elections to submit (1) all active and inactive voter files, (2) all licensing or identification records contained in the motor vehicles database, and (3) identification records contained in the Department's databases (excluding those unrelated to voter eligibility) to the multi-state voter registration list maintenance system on a periodic basis.

Further, the Election Code (Code) (10 ILCS 5/1A-45(b-5)) requires the State Board of Elections and the Department to enter into an agreement requiring the Department to provide the State Board of Elections with any information necessary to transmit member data under the Electronic Registration Information Center Membership Agreement on an annual basis.

During testing, we noted the Department entered into an agreement to share data with the State Board of Elections during March 2021 and updated the agreement in February 2022; however, the Department failed to share the required information with the State Board of Elections prior to June 30, 2022.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2016. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

Department management indicated several factors contributed to the noted issues. The final agreement to share the data was not finalized until February 2022 and the Department's IT staff were unable to transfer the data by June 30, 2022 due to staff vacancies and other IT priorities.

Failure to share data with the State Board of Elections pursuant to an agreement entered into with a multi-state voter registration list maintenance system results in noncompliance with the Act and the Code and limits the data available to ensure accuracy, completeness, and legal compliance of voter records. (Finding Code No. 2022-025, 2020-020, 2018-016, 2016-012)

RECOMMENDATION

We recommend the Department comply with the Act and the Code by sharing the required data with the State Board of Elections.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-025 **FINDING** Failure to Share Data with the State Board of Elections (Continued)

DEPARTMENT RESPONSE

The Department concurs with the finding. An IT developer has been assigned to gather the required data so that it can be shared with the State Board of Elections as required by the Act.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-026 **FINDING** Failure to Complete Performance Evaluations

The Department on Aging (Department) did not conduct employee performance evaluations in accordance with the Illinois Administrative Code (Code).

During fieldwork, we reviewed 40 employee personnel files and noted 7 (18%) employee files did not contain a completed performance evaluation for at least one of the fiscal years under examination. These employees' anniversary dates of employment ranged from 1 to 10 months before the end of the fiscal year.

The Code (80 Ill. Admin. Code 302.270) requires a certified employee to be evaluated by the Department not less often than annually.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2012. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

Department management indicated inadequate staffing at the Division Manager and supervisory levels, as well as insufficient support staff to assist with the process led to this deficiency.

Employee performance evaluations are a systematic and uniform approach for the development of employees and communication of performance expectations to employees. Employee performance evaluations serve as a foundation and documentation for salary adjustments, promotions, demotions, discharges, layoff, recall, or reinstatement decisions. Without timely completion of an employee performance evaluation, the employee would not be provided with formal feedback or assessment of his or her performance, and areas for improvement and current year's performance goals and objectives may not be identified and communicated in a timely manner. Failure to conduct timely annual evaluations represents noncompliance with the Code. (Finding Code No. 2022-026, 2020-014, 2018-014, 2016-007, 2014-002, 12-4)

RECOMMENDATION

We recommend the Department implement procedures to identify outstanding evaluations, remind managers of their responsibilities, and ensure employee performance evaluations are completed timely.

DEPARTMENT RESPONSE

The Department concurs with this finding. The Department filled several supervisory and Division Manager vacancies. Human Resources has implemented a system to notify supervisors monthly when performance evaluations are due. Administrative assistant positions in many of these areas have also been filled which will assist in the tracking and timely completion of performance evaluations.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-027 **FINDING** Noncompliance with the Fiscal Control and Internal Auditing Act

The Department on Aging (Department) did not fully comply with internal audit requirements of the Fiscal Control and Internal Auditing Act (Act).

The Department's program of internal auditing was unable to review all major systems within a two-year period as required by the Act. We noted the internal audit function's audits did not include testing of the property, equipment, and inventories internal accounting and administrative controls during the examination period.

The Act (30 ILCS 10/2003(a)(2)) requires the Department's Executive Director to ensure the internal auditing program includes audits of major systems of internal accounting and administrative controls so that all major systems are reviewed at least once every two years.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2014. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

Department management indicated, as a result of the annual two-year risk assessment completed each year, minimal value of equipment held, and limited Internal Auditing resources, the property control audit was delayed.

Failure to review all major systems of internal accounting and administrative controls results in noncompliance with the Act, weakens the Department's assessment of its overall internal control environment and increases the risk that an effective system of internal controls may not be maintained. (Finding Code No. 2022-027, 2020-013, 2018-013, 2016-011, 2014-007)

RECOMMENDATION

We recommend the Department ensure all major systems of internal accounting and administrative controls are reviewed at least once every two years as required by the Act.

DEPARTMENT RESPONSE

The Department concurs with this finding. A property control audit will be scheduled.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

A. **FINDING** Inadequate Internal Controls Over Interagency Agreements

During the previous examination, the Department on Aging (Department) did not maintain a complete inventory of interagency agreements the Department is or should be a party to and did not ensure it entered into, maintained and complied with all required interagency agreements.

During the current examination, the Department provided a complete and accurate listing of interagency agreements which the Department is or should be a party to. (Finding Code No. 2020-005, 2018-005)

B. **FINDING** Failure to Meet Quality Assurance and Improvement Program Standard

During the previous examination, the Department's internal audit department did not have an external or internal assessment performed of its program of internal audits as required by professional standards.

During the current examination, the Department had an internal and external assessment of its program of internal audits completed. (Finding Code No. 2020-011)

C. **FINDING** Failure to Enter into Agreement with the State Board of Elections

During the previous examination, the Department failed to enter into an agreement with the State Board of Elections and provide information necessary to transmit member data under the Electronic Registration Information Center Membership Agreement.

During the current examination, the Department entered into an agreement with the State Board of Elections to provide the necessary information, however the data was not provided during the examination period. The remaining portion of the finding was consolidated with Finding 2022-025. (Finding Code No. 2020-019, 2018-015, 2016-003)