



STATE OF ILLINOIS
**OFFICE OF THE
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS DEPARTMENT OF HUMAN SERVICES

Compliance Examination
 For the Two Years Ended June 30, 2017

Release Date: June 14, 2018

FINDINGS THIS AUDIT: 42	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	15	8	23	2016		6	
Category 2:	7	12	19	2015	9, 21	29, 42	
Category 3:	0	0	0	2013	20	30, 31, 35, 40	
TOTAL	22	20	42	2011	15, 23	39	
FINDINGS LAST AUDIT: 33				2009	1, 24		
				2007		38	
				2005	22	33, 34, 37	

INTRODUCTION

Because of the significance and pervasiveness of the findings described within the report, we expressed an **adverse opinion** on the Department's compliance with the assertions which comprise a State compliance examination. The Codification of Statements on Standards for Attestation Engagements (AT-C § 205.72) states a practitioner "should express an adverse opinion when the practitioner, having obtained sufficient appropriate evidence, concludes that misstatements, individually or in the aggregate, are both material and pervasive to the subject matter."

Further, the digest covers our Compliance Examination of the Department for the two years ended June 30, 2017. A separate Financial Audit as of and for the year ended June 30, 2017, was previously released on March 20, 2018. In total, this report contains 42 findings, 11 of which were reported in the Financial Audit.

SYNOPSIS

- (17-12) The Department of Human Services and the Department of Healthcare and Family Services did not have adequate controls to ensure the social security information of applicants for human services programs was sufficiently supported.
- (17-14) The Department failed to finalize and implement certain CILA rules and to adequately monitor CILA providers during the examination period.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.
Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Expenditures and Activity Measures are summarized on next page.}

**DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017**

EXPENDITURE STATISTICS (\$ expressed in thousands)	2017	2016	2015
Total Expenditures	\$ 5,577,769	\$ 5,216,574	\$ 6,107,862
OPERATIONS TOTAL.....	\$ 1,378,213	\$ 1,268,127	\$ 1,427,247
% of Total Expenditures.....	24.7%	24.4%	23.4%
Personal Services.....	398,981	407,023	421,291
Other Payroll Costs.....	74,903	79,080	79,058
Interfund Cash Transfers.....	51,000	1,175	1,175
Medical & Food Supplies for Distribution.....	201,294	208,021	222,049
Contractual Services.....	65,824	64,490	136,470
All Other Operating Expenditures.....	586,211	508,338	567,204
AWARDS AND GRANTS.....	\$ 4,191,850	\$ 3,946,213	\$ 4,675,346
% of Total Expenditures.....	75.2%	75.6%	76.5%
PERMANENT IMPROVEMENTS.....	\$ 4,629	\$ -	\$ 1,293
% of Total Expenditures.....	0.1%	0.0%	0.0%
REFUNDS.....	\$ 3,077	\$ 2,234	\$ 3,976
% of Total Expenditures.....	0.0%	0.0%	0.1%
Total Receipts	\$ 1,802,624	\$ 1,846,090	\$ 2,027,437
Number of Employees, June 30 (Unaudited)	12,500	12,758	12,925
SELECTED ACTIVITY MEASURES (unaudited)	2017	2016	2015
Family and Community Services:			
Average number of TANF families engaged each month.....	2,945	4,203	5,272
Average number of children served - child care, per month.....	131,310	127,708	179,315
Average child care cost per child, per month.....	\$ 495	\$ 546	\$ 478
Home Services:			
Persons receiving in-home services to prevent institutionalization.	29,379	29,325	29,595
Average monthly cost of in-home services per client.....	\$ 1,573	\$ 1,538	\$ 1,502
Sexually Violent Persons Program:			
Annual cost per detainee/sexually violent person in TDF.....	\$ 65,194	\$ 28,926	\$ 56,702
DEPARTMENT SECRETARY			
During the Audit Period: Mr. James T. Dimas (Acting 7/1/15 through 4/12/16, Appointed 4/13/16 through present)			
Currently: Mr. James T. Dimas			

INTRODUCTION

This report presents our Department-wide compliance attestation examination for the two years ending June 30, 2017. At June 30, 2017 the Department operated 6 Developmental Centers, 7 Mental Health Centers, 1 combined Mental Health and Developmental Center, and 3 Rehabilitation Services Facilities. The findings are presented in the report beginning at page 17.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

APPLICANT SOCIAL SECURITY INFORMATION IN IES NOT SUFFICIENTLY SUPPORTED

Social security information not supported in IES

The Department of Human Services and the Department of Healthcare and Family Services (Departments) did not have adequate controls to ensure the social security information of applicants for human services programs was sufficiently supported.

The Departments have shared responsibility for various human service programs in the State, including the intake, processing, and approval of applications for benefits. The Departments have shared responsibility for internal control over manual and automated processes relating to eligibility for these programs.

164 approved applicants had applied for services after date of death

As part of our testing of the Integrated Eligibility System (IES), we compared the applications approved utilizing IES to the Social Security Administration (SSA) Master Death Records. We noted 164 approved applicants had applied for services after the date of death associated with the Social Security Number (SSN) the applicant had provided. In addition, we noted 39 approved applicants had death dates associated with the SSN the applicants had provided that were prior to their birth dates within IES.

For 5 of 5 cases reviewed, it appears the cause of the approval was a result of caseworker override

As part of the IES clearance process, the applicant's SSN is matched to the SSA in order to determine if the SSN is valid. We reviewed case information within IES for a sample of five cases, noting the case information documented the applicant's SSN as not being valid. However, it appeared each case had been overridden by the caseworker, thus allowing services. As a result, the Departments incurred expenditures of \$983,656 for applicants that may not have been eligible for the benefits received. (Finding 12, page 42)

We recommended the Department of Human Services work with the Department of Healthcare and Family Services to improve controls over caseworker involvement by refining

supervisory oversight to confirm all applications are properly approved and caseworkers are properly obtaining and retaining documentation in IES to support eligibility. In addition, we recommended the Departments seek reimbursement for improper payments.

Departments accepted the recommendation

The Departments accepted the recommendation and stated over 1 million applications were approved using the IES system during FY16 and FY17. The 203 cases (**0.019%**) identified as having a social security number in question were entered into the system manually and appear to have been entered incorrectly and these cases will be corrected and any improper payments identified will be recouped. The Departments also stated IDHS will discuss with HFS whether more stringent edits or approvals should be implemented to eliminate the approval of cases with incorrect social security numbers.

FAILURE TO IMPLEMENT INTEGRATED LIVING RULES AND ADEQUATELY MONITOR CILAS

The Department of Human Services (Department) failed to finalize and implement certain community integrated living arrangement (CILA) rules. Further, the Department failed to adequately monitor CILA providers during the examination period.

Failure to Finalize and Implement Rules

The Community-Integrated Living Arrangements Licensure and Certification Act (210 ILCS 135/9) states that by December 31, 2011, the Department shall adopt rules under the Illinois Administrative Procedure Act that govern the assignment and operations of monitors and receiverships for community-integrated living arrangements wherein the Department has identified systemic risks to individuals served. The rules are required to specify the criteria for determining the need for independent monitors and receivers, their conduct once established, and their reporting requirements to the Department. These monitors and receivers shall be independent entities appointed by the Department and not staff from State agencies.

Department has drafted but not finalized or implemented rules

During the examination period, we noted the Department had drafted but had not yet finalized and implemented rules related to the assignment and operations of monitors and receiverships for CILAs as required by the Act.

Failure to Follow-up on Substantiated Allegations and Publishing Testing Results on Website

The Community-Integrated Living Arrangements Licensure and Certification Act (210 ILCS 135/4 (g-5)) states as determined by the Department, a disproportionate number or percentage of licensure complaints; a disproportionate number or percentage of substantiated cases of abuse,

neglect, or exploitation involving an agency; an apparent unnatural death of an individual served by an agency; any egregious or life-threatening abuse or neglect within an agency; or any other significant event as determined by the Department shall initiate a review of the agency's license by the Department, as well as a review of its service agreement for funding. The Department shall adopt rules to establish the process by which the determination to initiate a review shall be made and the timeframe to initiate a review upon the making of such determination.

Substantiated allegations of abuse not followed up on at CILAs

For 3 out of 3 (100%) community agencies which had substantiated allegations in FY2017, the Department could not provide supporting documentation that the community agencies had been subsequently reviewed by the Department, as of our testing date in December 2017.

In addition, the Community-Integrated Living Arrangements Licensure and Certification Act (210 ILCS 135/14) states that by July 1, 2012, the Department shall make available through its website information on each agency regarding licensure and quality assurance survey results; licensure and contract status; and substantiated findings of abuse, egregious neglect, and exploitation. The Department shall adopt rules regarding the posting of this information and shall inform individuals and guardians of its availability during the initial provider selection process.

CILA oversight activity information not posted to website as required

During the examination period, it was noted the oversight activities conducted by the Department were not published as of our testing date in December 2017. (Finding 14, pages 46-47)

We recommended Department management comply with the law by completing and adopting rules related to the assignment and operations of monitors and receiverships for CILA arrangements as required by statute. In addition, we recommended the Department improve internal controls over providing timely reviews of substantiated allegations. Lastly, we recommended Department management adopt a reasonable date for providing information on its website for each agency regarding licensure and quality assurance survey results; licensure and contract status; and substantiated findings of abuse, egregious neglect, and exploitation, as specified in the applicable Act.

Department accepted the recommendation

The Department accepted the recommendation and stated its Bureau of Accreditation and Licensure (BALC) database manager will provide updated survey results quarterly to the Division of Developmental Disabilities personnel for posting on the Division of Developmental Disabilities (DDD) webpage. The Department also stated this practice began February 20, 2018 followed by an update on April 25, 2018.

OTHER FINDINGS

The remaining findings are reportedly being given attention by Department personnel. We will review the Department's progress towards the implementation of our recommendations in our next Audit/Examination.

AUDITOR'S OPINION

The financial audit report was previously released. The auditors stated the financial statements of the Department as of and for the year ended June 30, 2017, are fairly stated in all material respects.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Department for the two years ended June 30, 2017, as required by the Illinois State Auditing Act. Because of the effect of the noncompliance described in Findings 2017-001 through Finding 2017-042, the accountants stated the Department did not materially comply with the requirements described in the report.

The financial audit and this compliance examination was performed by RSM US LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

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FRANK J. MAUTINO
Auditor General

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