



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**DEPARTMENT ON AGING**

Compliance Examination  
 For the Two Years Ended June 30, 2020

Release Date: August 11, 2021

FINDINGS THIS AUDIT: 21	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	5	5	2018	2, 5	7, 12	
Category 2:	8	8	16	2016	3, 4	8, 19, 20	
Category 3:	0	0	0	2014		13	
TOTAL	8	13	21	2012		14	
				2010	1		
FINDINGS LAST AUDIT: 16				2006		6	

**SYNOPSIS**

- (20-1) The Department lacked adequate controls and monitoring over eligibility determinations and payments made to service provider agencies that applied for and received a special hourly rate under the Community Care Program.
- (20-4) The Department did not adequately monitor its grantees and service providers.
- (20-7) The 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.
- (20-9) The Department had not implemented adequate internal controls related to cybersecurity programs and practices.

**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.

**DEPARTMENT ON AGING  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020**

EXPENDITURE STATISTICS	2020	2019	2018
<b>Total Expenditures.....</b>	<b>\$ 1,065,114,995</b>	<b>\$ 987,881,904</b>	<b>\$ 954,134,486</b>
OPERATIONS TOTAL.....	\$ 25,728,680	\$ 43,920,577	\$ 43,482,681
% of Total Expenditures.....	2.4%	4.5%	4.6%
Personal Services.....	12,051,307	13,387,477	11,689,676
Other Payroll Costs (FICA, Retirement).....	4,174,159	1,981,927	1,848,596
All Other Operating Expenditures.....	9,503,214	28,551,173	29,944,409
AWARDS AND GRANTS.....	\$ 1,034,590,088	\$ 943,846,009	\$ 910,581,674
% of Total Expenditures.....	97.1%	95.5%	95.4%
REFUNDS.....	\$ 4,796,227	\$ 115,318	\$ 70,131
% of Total Expenditures.....	0.5%	0.0%	0.0%
<b>Total Receipts.....</b>	<b>\$ 59,353,342</b>	<b>\$ 68,095,119</b>	<b>\$ 58,271,020</b>
<b>Average Number of Employees.....</b>	<b>148</b>	<b>150</b>	<b>150</b>

**AGENCY DIRECTOR**

During Examination Period: Jean Bohnhoff (through 3/17/19); Paula Basta (effective 3/18/19)

Currently: Paula Basta

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE CONTROLS AND MONITORING  
OVER ENHANCED RATE PAYMENTS MADE TO  
COMMUNITY CARE PROGRAM SERVICE  
PROVIDERS**

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

**None of the tested providers submitted verification of actual health insurance expense**

**Tested providers did not submit a health insurance certification during at least one fiscal year tested**

For the two fiscal years under examination, the Department paid all providers a total of \$86,458,388 for enhanced rate payments. The auditors tested 6 of 12 (50%) providers who were paid an enhanced rate and noted none of the providers tested submitted a verification from an independent certified public accountant of the actual, documented expense for health insurance during at least one of the fiscal years tested. In addition, 6 of 6 (100%) providers tested did not submit a Direct Service Worker Health Insurance Certification during at least one of the fiscal years tested. (Finding 1, pages 10-11). **This finding has been repeated since 2010.**

We recommended the Department strengthen controls to ensure 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 recommended the Department obtain reimbursement from providers if determined to be ineligible.

**Department agreed**

The Department concurred with the finding and stated it is currently working to hire a manager to develop proper procedures and trainings for staff to create a cohesive area so 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 Illinois Administrative Code.

**INADEQUATE MONITORING OF GRANTEEES AND  
SERVICE PROVIDERS**

The Department did not adequately monitor its grantees and service providers. The auditors noted the following exceptions:

**Audit reports were not received for grantees/service providers which had received over \$20 million in total payments**

- The Department had not received annual audit reports for 2 of 20 (10%) Fiscal Year 2019 grantees/service providers tested. The 2 grantees/service providers received \$15,278 from the Department for the individual programs tested and \$20,094,837 in total payments (inclusive of all programs) for the fiscal year tested.

**86% of home care aide providers lacked evidence procedures complied with financial reporting guidelines**

- Three of 25 (12%) home care aide providers tested had not submitted an audit to the Department since 2016.
- Of the 22 home care aide providers which did submit an audit, 19 (86%) did not include any 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. (Finding 4, pages 18-19)  
**This finding has been repeated since 2016.**

We recommended the Department designate sufficient staff to monitor grantees/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 agreed**

The Department concurred with the finding and stated it is currently working to hire a manager to develop proper procedures and trainings for staff to ensure standardized monitoring of audit requirements to comply with the financial components of agreements and contracts. The Department also stated internal communication will be improved and will be inclusive of program managers to act when necessary for providers to become compliant.

**FAILURE TO DEVELOP A PROGRAM TO IDENTIFY THE SPECIAL NEEDS AND PROBLEMS OF MINORITY SENIOR CITIZENS**

The 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)

**Department did not develop a prescribed program specific to minority senior citizens**

The Department did not develop a prescribed program to identify the special needs and problems specific to minority senior citizens as opposed to all senior citizens. In addition, 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.

**Annual reports did not include required information and were submitted a year late**

Annual reports with demographic information for the Department's existing programs for all senior citizens provided almost no information on programs and services specific to minorities as provided under Section 4.06 of the Act. The auditors also noted these annual reports were compiled and submitted 15 months, instead of 3 months, following completion of the State's fiscal year.

**Department believes existing programs and outreach satisfy the Act**

Department management stated they believe existing programs and outreach efforts satisfy the intent of the Act. (Finding 7, pages 24-26)

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

**Department partially agreed**

The Department partially concurred with the finding and stated it provides services to minority senior citizens through its inclusive approach to programming. The Department further stated it is presently working to evaluate its outreach to minority populations to determine a more effective means to target its outreach efforts to minority populations under-represented in its current programs and to plan for the projected changes in Illinois' aging demographics. The Department also noted that although it does not have a distinct program targeting minority seniors, the Department's inclusive approach to the provision of supports and services is evidenced through its programs.

**Accountant's Comment**

In an Accountant's Comment, we stated if the Department believes a program, services, evaluation, administrative rules, and reporting specific to minority senior citizens pursuant to Section 4.06 are not necessary, or if the Department believes existing programs, services, and reporting are sufficient to satisfy the intent of the Act, the Department should seek a legislative remedy to either eliminate or amend the specific requirements of the Act.

**WEAKNESSES IN CYBERSECURITY PROGRAMS AND PRACTICES**

The Department had not implemented adequate internal controls related to cybersecurity programs and practices. We noted the Department:

**Insufficient documentation of policies, responsibilities and high risk data**

**Appropriate controls to reduce the risk of attack were not evaluated and implemented**

- 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.
- Had not established and documented cybersecurity roles and responsibilities.
- Had not classified its data to identify and ensure adequate protection of information (i.e. confidential or personal information) most susceptible to attack.
- Had not evaluated and implemented appropriate controls to reduce the risk of attack.
- Had not ensured all the Department's employees completed cybersecurity training for calendar year 2019 in accordance with the Data Security on State Computers Act. (Finding 9, pages 28-29)

We recommended the Department:

- Establish and communicate the Department's security program (formal and comprehensive policies, procedures, and processes) to manage and monitor the

regulatory, legal, environmental and operational requirements.

- Establish and document cybersecurity roles and responsibilities.
- Classify its data to identify and ensure adequate protection of information.
- Evaluate identified risks and implement appropriate controls to reduce risk.
- Monitor and follow up on employees who have not completed cybersecurity training as required by the Act in order to enforce the training requirement.

**Department agreed**

The Department concurred with the finding and stated it has complied with all needed actions identified by the National Institute of Standards and Technology, in the Department's Cybersecurity Plan, which was completed 05/26/2021, with links to appropriate in force Department of Innovation and Technology Policies and Plans.

**OTHER FINDINGS**

The remaining findings pertain to fiscal and administrative responsibilities, statutory mandates, and information technology controls. We will review the Agency's progress towards the implementation of our recommendations in our next compliance examination.

**ACCOUNTANT'S OPINION**

The accountants conducted a compliance examination of the Department for the two years ended June 30, 2020, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2020-001 through 2020-005. Except for the noncompliance described in these findings, the accountants stated the Department complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by Borschnack, Pelletier and Co.

**SIGNED ORIGINAL ON FILE**

JANE CLARK  
Division Director

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

**SIGNED ORIGINAL ON FILE**

FRANK J. MAUTINO  
Auditor General

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