

**State of Illinois
Department of
Children and
Family Services**

**STATE COMPLIANCE
EXAMINATION**

**FOR THE TWO YEARS ENDED
JUNE 30, 2024**

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

**STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

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**STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

DEPARTMENT OFFICIALS

Director (3/22/24 – present)	Heidi E. Mueller
Director (Acting) (2/1/24 – 3/21/24)	Heidi E. Mueller
Director (7/1/22 – 1/31/24)	Marc D. Smith
Executive Deputy Director ¹ (9/5/23 – 12/5/24)	Tierney Colson Stutz
Executive Deputy Director (Acting) (3/6/23 – 9/4/23)	Tierney Colson Stutz
Executive Deputy Director (1/14/23 – 3/5/23)	Vacant
Executive Deputy Director (8/16/22 – 1/13/23)	Meaghan Jorgensen
Executive Deputy Director (Acting) (7/1/22 – 8/15/22)	Meaghan Jorgensen
Chief of Staff ² (12/16/24 – present)	Jacquelyn Dortch
Chief of Staff (10/19/24 – 12/15/24)	Vacant
Chief of Staff (7/1/22 – 10/18/24)	Jassen Strokosch
Chief Fiscal Officer	Kiersten Neswick
General Counsel (3/13/23 – present)	Brian Dougherty
General Counsel (Acting) (9/22/22 – 3/12/23)	Carol Melton
General Counsel (7/1/22 – 9/21/22)	Amanda Wolfman
Chief Internal Auditor	Phillip Dasso
Assistant Director of Youth and Families in Care (12/6/24 – present)	Timothy Snowden
Assistant Director of Prevention, Child Protection and State Central Register (12/6/24 – present)	Tierney Colson Stutz
Assistant Director of Strategy, Performance and Innovation (12/6/24 – present)	Julie Barbosa
Chief Operating Officer (12/16/24 – present)	Andrew Munemoto

1 – Executive Deputy Director position was split into three positions on December 6, 2024: Assistant Director of Youth and Families in Care; Assistant Director of Prevention, Child Protection and SCR, and; Assistant Director of Strategy, Performance and Innovation.

2 - Chief of Staff position was split into two positions on December 16, 2024: Chief of Staff and Chief Operating Officer.

**STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
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For the Two Years Ended June 30, 2024**

DEPARTMENT OFFICES

The Department's primary administrative offices are located at:

406 East Monroe Street
Springfield, Illinois 62701

60 East Van Buren Street, Suite 1300
Chicago, Illinois 60605

MANAGEMENT ASSERTION LETTER

June 30, 2025

Roth and Company, LLP
540 W. Madison St., Suite 2450
Chicago, Illinois 60661

Roth and Company, LLP:

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 of Children and Family Services (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, 2024. Based on this evaluation, we assert that during the years ended June 30, 2023, and June 30, 2024, the Department has materially complied with the specified requirements listed below.

- A. The Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. 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. 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 of Children and Family Services

SIGNED ORIGINAL ON FILE

Heidi E. Muller, Director

SIGNED ORIGINAL ON FILE

Kiersten Neswick, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Brian Dougherty, General Counsel

**STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

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*.

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, but does contain a modified 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	34	33
Repeated Findings	29	23
Prior Recommendations Implemented or Not Repeated	4	8

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2024-001	13	2022/1998	Incomplete Child Welfare Files	Material Weakness and Material Noncompliance
2024-002	18	2022/2020	Lack of Adequate Controls Over the Review of Internal Controls for Service Providers	Material Weakness and Material Noncompliance
2024-003	21	2022/2022	Voucher Processing Internal Controls Not Operating Effectively	Material Weakness and Material Noncompliance
2024-004	25	2022/2012	Noncompliance with the Abused and Neglected Child Reporting Act	Material Weakness and Material Noncompliance

**STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
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SCHEDULE OF FINDINGS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings (Continued)				
2024-005	31	2022/2016	Noncompliance with the Children and Family Services Act	Material Weakness and Material Noncompliance
2024-006	41	2022/2022	Noncompliance with the School Code	Material Weakness and Material Noncompliance
2024-007	43	2022/2012	Inadequate Internal Controls Over Accident Reporting	Material Weakness and Material Noncompliance
2024-008	46	2022/1998	Untimely Initiation of Investigations of Child Abuse and Neglect	Material Weakness and Material Noncompliance
2024-009	49	2022/2018	Noncompliance with the Adoption Act	Material Weakness and Material Noncompliance
2024-010	51	2022/2020	Inadequate Controls Over Applications and Data Accuracy	Material Weakness and Material Noncompliance
2024-011	53	2022/2020	Monthly Reconciliations not Performed Timely	Material Weakness and Material Noncompliance
2024-012	55	2022/2018	Failure to Maintain Accurate Property Records	Material Weakness and Material Noncompliance
2024-013	58	2022/1998	Untimely Child Abuse and Neglect Determinations	Significant Deficiency and Noncompliance
2024-014	60	2022/2012	Inadequate Controls over Documentation of Monitoring of Contracts with Provider Agencies	Significant Deficiency and Noncompliance
2024-015	62	2022/2022	Failure to Fully Utilize the State's Enterprise Resource Planning System	Significant Deficiency and Noncompliance
2024-016	64	2022/2020	Inadequate Access Controls	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS
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SCHEDULE OF FINDINGS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings (Continued)				
2024-017	66	2022/2020	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2024-018	69	2022/2020	Inadequate Disaster Recovery Planning and Testing	Significant Deficiency and Noncompliance
2024-019	71	2022/2018	Noncompliance with the Child Care Act of 1969	Significant Deficiency and Noncompliance
2024-020	74	New	Noncompliance with Statutory Reporting	Significant Deficiency and Noncompliance
2024-021	75	2022/2022	Noncompliance with the Social Services Contract Notice Act	Significant Deficiency and Noncompliance
2024-022	77	New	Noncompliance with the Juvenile Court Act of 1987	Significant Deficiency and Noncompliance
2024-023	79	2022/2010	Noncompliance with the State Services Assurance Act for FY2008	Significant Deficiency and Noncompliance
2024-024	81	2022/2012	Federal Reimbursements not Requested Timely	Significant Deficiency and Noncompliance
2024-025	82	2022/2008	Employee Performance Evaluations Not Performed	Significant Deficiency and Noncompliance
2024-026	84	2022/2020	Inadequate Controls Over Employee Training Programs	Significant Deficiency and Noncompliance
2024-027	88	2022/2022	Inadequate Internal Controls Over Employee Timesheets	Significant Deficiency and Noncompliance
2024-028	91	2022/2022	Inadequate Internal Controls over State Vehicle Maintenance	Significant Deficiency and Noncompliance
2024-029	93	2022/2022	Noncompliance with the Fiscal Control and Internal Auditing Act	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS
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SCHEDULE OF FINDINGS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings (Continued)				
2024-030	95	2022/2002	Untimely Approval and Filing of Contracts and Interagency Agreements	Significant Deficiency and Noncompliance
2024-031	97	2022/2022	Locally Held Funds Not Properly Invested or Used	Significant Deficiency and Noncompliance
2024-032	99	New	Noncompliance with the Foster Children's Bill of Rights Act	Significant Deficiency and Noncompliance
2024-033	101	New	Noncompliance with the Residential Services Construction Grant Program Act	Significant Deficiency and Noncompliance
2024-034	102	New	Failure to File or Submit Accurate Agency Workforce Reports	Significant Deficiency and Noncompliance

Prior Findings Not Repeated

A	104	2022/2020	Financial Statement Presentation
B	104	2022/2022	Failure to Maintain Proper Segregation of Duties Over Daycare
C	104	2022/2020	Inadequate Internal Controls over Census Data
D	104	2022/2022	Noncompliance with Accountability for the Investment of Public Funds Act

**STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with the Department personnel at an exit conference on June 23, 2025.

Attending were:

Department of Children and Family Services

Heidi Mueller, Director

Phillip Dasso, Chief Internal Auditor

Clayton Murphy, Audit Liaison, Office of Internal Audit

Kiersten Neswick, Chief Fiscal Officer

Brian Dougherty, General Counsel

Jacquelyn Dortch, Chief of Staff

Joe McDonald, Associate Deputy Director, Budget and Finance

Tierney Stutz, Assistant Director of Prevention, Child Protection and State Central Register

Julie Barbosa, Assistant Director of Strategy, Performance and Innovation

Sydney Thompson, Administrative Assistant II, Budget and Finance

William Blount-Stephens, Deputy Director, Contract Administration

David Riley, Payroll Administrator, Budget and Finance

James Daugherty, Chief Information Officer

Glenda Lashley, Deputy Chief of Staff

Timothy Snowden, Assistant Director, Youth and Families in Care

Brian Turner, Budget Chief

Sarah Tucker, Associate Chief Fiscal Officer

Office of the Auditor General

Stacie Sherman, Senior Audit Manager

Roth & Company, LLP

Elda Arriola, Partner

Darlene Dizon, Senior Manager

Lou Jonathan Cabrera, Manager

Tiffany Floresca, Supervisor

Juna Lou Advincula, Senior

The responses to the recommendations were provided by Clayton Murphy, Audit Liaison, in a correspondence dated June 27, 2025.



INDEPENDENT ACCOUNTANTS' 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 of Children and Family Services with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2024. 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, expenditure, receipt, or use.
- C. The Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of

the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. 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, 2024. As described in the accompanying Schedule of Findings as items 2024-001 through 2024-012, 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.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the Department complied with the specified requirements during the two years ended June 30, 2024, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2024-013 through 2024-034.

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 the 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 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 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a 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 2024-001 through 2024-012 to be material weaknesses.

A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2024-013 through 2024-034 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

Chicago, Illinois
June 30, 2025



STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-001. **FINDING** (Incomplete Child Welfare Files)

The Department of Children and Family Services' (Department) Child Welfare and Foster Care and Intact Family Case files lacked required documentation and not all case procedures were performed timely.

During our sample testing of 60 child welfare case files managed by the Department staff (CFS) and purchase of service (POS) contractors, we noted the following:

Case File Deficiency	Case File Requirement	Authority
1 of 60 (2%) Statewide Automated Child Welfare Information System (SACWIS) Risk Assessments was not completed timely. (1 POS - 25 days late)	When child welfare staff are engaged in preliminary activities, the SACWIS Risk Assessment is to be completed within 30 days of the case opening.	DCFS Administrative Procedure #5 (Section 5.2 (C))
21 of 60 (35%) updated SACWIS Risk Assessments were not conducted every 6 months after the initial risk assessment. (16 POS & 5 CFS cases)	The SACWIS Risk Assessment is to be completed every six months on intact family cases.	DCFS Administrative Procedure #5 (Section 5.2 (D)(2))
3 of 60 (5%) Integrated Assessment was completed but not signed and dated. As such, we were unable to determine whether the assessment was completed timely. (1 POS & 2 CFS cases)	Integrated Assessment forms are to be completed within 40 calendar days of the case opening or placement.	DCFS Administrative Procedure #5 - Update November 22, 2016 and DCFS Administrative Procedure #5 (Section 5.3)
39 of 60 (65%) Integrated Assessments were not completed timely. (25 POS - 7 to 325 days late) (14 CFS - 13 to 91 days late)		
16 of 60 (27%) Initial Service Plans were not completed timely. (8 POS - 12 to 164 days late) (8 CFS - 7 to 128 days late)	Initial service plans are to be completed within 45 calendar days of the case opening or placement.	DCFS Administrative Procedure #5 – Update November 22, 2016 and DCFS Administrative Procedure #5 (Section 5.4)
1 of 60 (2%) updated service plans was not conducted every six months after the initial service plan. (1 CFS case)	Updated service plans must be conducted six months after the initial service and every six months thereafter.	

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-001. **FINDING** (Incomplete Child Welfare Files) - Continued

Case File Deficiency	Case File Requirement	Authority
36 of 60 (60%) children's photos were taken more than 30 days from the required completion of the Child Identification Form (CFS 680) (24 POS & 12 CFS cases)	Within 30 days of the Department becoming legally responsible for a child, regardless of the child's placement, the child's worker shall complete the applicable sections of the CFS 680 - Child Identification Form, a photograph of the child, fingerprints for all children.	DCFS Procedure 301.150, PT 2023.04
<p>17 of 60 (28%) children's fingerprints were not indicated as being taken and maintained in SACWIS or in case files. (10 POS & 7 CFS cases)</p> <p>17 of 60 (28%) fingerprints of child took more than 30 days from the required completion of the Child Identification Form (CFS 680). (11 POS - 2 to 604 days late) (6 CFS - 34 to 293 days late)</p> <p>1 of 60 (2%) of Child fingerprints were taken prior to case open dates, however the Department was unable to provide additional information as to why fingerprint were taken prior to case open date. (1 CFS case)</p>	<p>The date the fingerprint is obtained must be included in SACWIS or related documentation should be in case files.</p> <p>Within 30 days of the Department becoming legally responsible for a child, regardless of the child's placement, the child's worker shall complete the applicable sections of the CFS 680 - Child Identification Form, a photograph of the child, fingerprints for all children.</p>	DCFS Procedure 301.150, PT 2023.04
3 of 60 (5%) Medical & Dental Consent forms (CFS 431 and CFS 415) were found in the case files but not signed. (1 POS & 2 CFS cases)	Forms CFS 431 and CFS 415 must be maintained to provide consent for ordinary and routine medical and dental or surgical treatment.	DCFS Administrative Procedure #5, (Appendix C, Section VI) DCFS Procedure #315

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-001. **FINDING** (Incomplete Child Welfare Files) - Continued

Case File Deficiency	Case File Requirement	Authority
<p>1 of 60 (2%) Initial Placement Checklists (CFS 418-J) was not found on file. (1 POS case)</p> <p>1 of 60 (2%) Initial Placement Checklists (CFS 418-J) completed date was blank, thus, we were not able to determine proper completion of the form. (1 CFS case)</p> <p>4 of 60 (7%) Initial Placement Checklists (CFS 418-J) were not signed nor date, thus, we cannot determine the form was properly completed. (3 POS & 1 CFS cases)</p>	Form CFS 418-J must be maintained for all children placed in substitute care to document any special needs of the child.	DCFS Procedure 315.85(b)
<p>2 of 60 (3%) Permanency Planning Checklist (CFS 483) were not found in the case files. (2 POS cases)</p> <p>6 of 60 (10%) Permanency Planning Checklist (CFS 483) was not signed and dated by the Worker and/or Supervisor, thus, we were not able to confirm if the form was properly completed. (3 POS & 3 CFS cases)</p>	Form CFS 483 must be completed to help the caseworker determine whether reunification is no longer an appropriate goal for a child and whether the child's current placement would be an appropriate home for adoption or subsidized guardianship.	DCFS Procedure 315.330
<p>15 of 60 (25%) Child Identification Forms (CFS 680) were not maintained in the case files. (9 POS & 6 CFS cases)</p> <p>10 of 60 (17%) Child Identification Forms (CFS 680) were not properly approved. (2 POS & 8 CFS Cases)</p>	Form CFS 680 is one of three required components to child identification information along with photos and fingerprints.	DCFS Procedure 301.150, PT 2023.04

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-001. **FINDING** (Incomplete Child Welfare Files) - Continued

Case File Deficiency	Case File Requirement	Authority
34 of 60 (57%) of CFS 680 forms were not completed within 30 days of the Department becoming legally responsible for a child, regardless of the child's placement. (21 POS – 14 to 718 days late) (13 DCFS – 9 to 838 days late)	Within 30 days of the Department becoming legally responsible for a child, regardless of the child's placement, the child's worker shall complete the applicable sections of the CFS 680 - Child Identification Form, a photograph of the child, fingerprints for all children.	DCFS Procedure 301.150, PT 2023.04
1 of 60 (2%) Registration Case Opening Forms (CFS 1410) could not be provided for our review, thus, we were not able to determine timeliness. (1 POS case) 53 of 60 (88%) Registration Case Opening Forms (CFS 1410) were not completed timely. (28 POS - 2 to 63 days late) (25 CFS - 2 to 52 days late)	The CFS 1410, Registration Case Opening Forms are to be completed within 24 hours of the case opening decision unless received from child protection, in which case it should be completed immediately by data entry staff.	DCFS Administrative Procedure #5 (Section 5.3)

Additionally, we utilized the administrative case reviews (ACR) for the same sample to test compliance with the Illinois Administrative Code's (Code) (89 Ill. Admin. Code 316.60) 21-day notification requirement. Our sample of 60 cases contained 103 ACRs, which generated 222 notifications to all parties involved. We noted the following:

- Two ACR's (2%) were not completed every six months.
- Twelve notifications (5%) were sent with less than 21 days' notice.
- One notification (0.5%) did not include the mailing date on the ACR Family Review Date Information, therefore, we were unable to determine if notification was sent timely.

The Code (89 Ill. Admin. Code 316.60) requires written notification of the date, time, place, and purpose of the ACR be mailed to all parties involved 21 days in advance of the ACR meeting. The DCFS Administrative Procedure #5 provides additional information on the conduct and documentation of administrative case reviews.

Further, four of 60 (7%) child welfare case files tested were Adoption Assistance (AA) and Subsidized Guardianship Home (SGH). We noted for one (25%) case, the annual re-certification of adoption assistance form, CFS 1800-Q Adoptions Assistance/Subsidized Guardianship Medicaid Information was not found in the case

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-001. **FINDING** (Incomplete Child Welfare Files) - Continued

file. The DCFS Procedure 302.310 on Adoption Assistance requires the Department to annually mail to the adoptive parent(s) and maintain the CFS 1800-Q, Adoption Assistance/Subsidized Guardianship Medicaid Information form in the case file.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 1998. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

Department management stated exceptions were a result of staffing turnover and competing priorities. Additionally, the transition to complete digital records is anticipated to help with keeping track of required documents. With the typical workload of frontline workers, filing hard copy documents is often a lower priority, which contributes to difficulty retrieving such documents when needed. (Finding Code No. 2024-001, 2022-004, 2020-006, 2018-004, 2016-001, 2014-002, 12-2, 10-2, 08-2, 07-1, 06-1, 05-3, 04-2, 03-1, 02-2, 00-10, 99-5, 98-6)

RECOMMENDATION

We recommend the Department continue in its efforts to develop ways to automate various recordkeeping functions and that the Department follows the procedures established concerning the welfare of children. The fulfillment of those procedures should be adequately documented.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department is continuing efforts to automate various recordkeeping functions. The development of the Department's new electronic system (IllinoisConnect) continues and will be implemented in phases as additional modules are ready to deploy. Electronic document storage and automating documentation to the extent possible are included within the design considerations. The Department also continues efforts to update outdated policies that refer to paper documents when electronic records for those data elements are already in use. The Department will continue with self-imposed corrective action to ensure the fulfillment of existing procedures is adequately documented.

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-002. **FINDING** (Lack of Adequate Controls Over the Review of Internal Controls for Service Providers)

The Department of Children and Family Services (Department) had not implemented adequate internal control reviews over its service providers.

The Department entered into agreements with various service providers to assist in processes to operate effectively and efficiently such as: (1) information technology hosting, (2) payroll processing, (3) provides maintenance of information and reporting of putative father registry, (4) and processing of Supplemental Security Income (SSI) eligibility.

We requested the Department to provide the population of service providers utilized by the Department to test the Department's internal controls over the service providers. In response to our request the Department did not provide a listing of service providers. Due to this deficiency, we were unable to conclude 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).

Due to the population limitations noted above, we had not determined if the Department:

- Ensured roles and responsibilities of both the Department and service provider are clearly defined and outlined in a formal agreement.
- Ensured the computing environment is sufficient to effectively promote security, integrity, availability, confidentiality, and privacy of its applications and data.
- Ensured the controls at a Service Provider meet its defined requirements.
- Obtained and reviewed System and Organizational Control (SOC) reports outlining the control environment at Service Providers.

In addition, we determined that the Department had not:

- Developed a process for identifying service providers, and
- Developed procedures for monitoring service providers' performance.

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2024-002. **FINDING** (Lack of Adequate Controls Over the Review of Internal Controls for Service Providers) - Continued

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2020. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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), Maintenance and System and Service Acquisition sections, requires entities outsourcing their information technology environment or operations to obtain assurance over the entities' internal controls related to the services provided. Such assurance may be obtained via System and Organization Control reports or independent reviews.

In addition, 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 administrative controls, to provide assurance 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 to maintain accountability over the State's resources. Strong management controls, due diligence, and fiduciary responsibility require adequate supervision of service providers.

Department management indicated the lack of resources resulted in the weaknesses.

Without having obtained and timely reviewed SOC reports, bridge letters, or another form independent internal control reviews, the Department does not have assurance the service providers' internal controls are adequate. (Finding Code No. 2024-002, 2022-002, 2020-028)

RECOMMENDATION

We recommend the Department:

- Develop a process for identifying service providers and maintain documentation of such;
- Ensure roles and responsibilities of both the Department and service provider are clearly defined and outlined in a formal agreement;

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2024-002. **FINDING** (Lack of Adequate Controls Over the Review of Internal Controls for Service Providers) - Continued

- Ensure the computing environment is sufficient to effectively promote security, integrity, availability, confidentiality, and privacy of its applications and data;
- Ensure the controls at a Service Provider meet its defined requirements;
- Obtain and review SOC reports outlining the control environment at Service Providers; and
- Develop procedures for monitoring service providers' performance.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department is in consultation with the Governor's Office of Management and Budget's Annual Comprehensive Financial Reporting team to put best practices in place to address each of the bullet points listed in the auditor's recommendation above. A team, including representatives from Legal Services, Contract Administration and Budget and Fiscal has begun to develop the processes for identifying services providers which includes a review of all contracts entered by the Department. Job descriptions will be updated to define Departmental responsibilities for the development of the processes related to SOC review as well as ongoing responsibilities of the Department.

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2024-003. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively)

The Department of Children and Family Services' (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 System (ERP) 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. 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 16 of 140 (11%) 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) (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 (FCIAA) (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 qualified 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 2023 and 2024 and noted the following:

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2024-003. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively) - Continued

- The Department owed 343 vendors interest totaling \$23,637 in Fiscal Years 2023 and 2024; however, the Department had not approved these vouchers for payment to the vendors.

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

- The Department did not timely approve 35,522 of 591,331 (6%) vouchers processed during the examination period, totaling \$245,004,313. We noted these vouchers were approved between 31 and 412 days after receipt of a proper bill or other obligating document.

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 FCIAA (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that 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.

During our testing of 40 travel vouchers, we noted the following:

- Two of 40 (5%) travel vouchers tested, totaling \$4,692, were not submitted 30 days in advance of the departure date to the Governor's Office of Management and Budget (GOMB). The travel request forms were submitted 14 and 20 days late.

The Code (80 Ill. Admin. Code 2800.700) provides that travel outside of Illinois (including travel outside the contiguous United States) requires the approval of GOMB prior to the travel. All requests are to be submitted to GOMB's on-line travel system (eTravel) at least 30 days in advance of the departure date.

Department management stated the majority of exceptions were due to one of two reasons. First, staffing shortages and training requirements caused voucher processing backlogs delaying affected payment processing. Second, inherent delays with the

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2024-003. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively) - Continued

Department manual workflow approval processes for youth related service delivery invoices make it difficult to meet the 30-day approval requirement.

Failure to properly enter the key attributes into the State's ERP 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 obligations due may result in noncompliance, unnecessary interest charges, and cash flow challenges for payees. In addition, failure to approve vouchers for payment of interest due represents, and submit travel request forms are noncompliance with the Code and the Act. (Finding Code No. 2024-003, 2022-019)

RECOMMENDATION

We recommend the Department design and maintain internal controls to provide assurance its data entry of key attributes into ERP is complete and accurate. Further, we recommend the Department timely approve proper bills and obligations due and approve vouchers for payment of interest due to vendors, and submit travel request forms timely.

DEPARTMENT RESPONSE

The Department agrees with and has partially implemented the auditor's recommendations. Specifically, the Department is working with DoIT@DCFS to update the systems that feed ERP payment information in order to capture and interface the appropriate key attributes ensuring the appropriate information is collected by the State's ERP solution. Second, the Department understands the importance of timely payment for the goods and services provided to support our most vulnerable populations. Therefore, the Department is developing a system to allow for electronic submittal of invoices with automated workflow for approvals. Additionally, the Department is also creating new standards and expectations on the review/approval timelines for manual invoice processing. These changes will assist the Department in the timeliness of our bill processing.

Of note, the Department has implemented a new review process for Prompt Pay Interest vouchers and is now processing such payments on a monthly basis. It is important to note that the Department does not allow out of state travel in any situation without prior approval from Governor's Office of Management and Budget (GOMB). In both cases cited by the auditors, the Department did receive authorization for the travel from GOMB prior to the travel dates. In rare cases in which circumstances do

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Continued

not allow for the requests to be made prior to the 30-day eTravel submission requirement, the Department's travel coordinator will seek an exception from GOMB and request special review and approval of the travel request. Travel is only authorized after GOMB approval.

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2024-004. **FINDING** (Noncompliance with the Abused and Neglected Child Reporting Act)

The Department of Children and Family Services (Department) failed to comply with several sections of the Abused and Neglected Child Reporting Act (Act) (325 ILCS 5) during the examination period.

We tested several sections of the Act and noted the following exceptions:

- The Act (325 ILCS 5/4.4) states whenever the Department receives a report of child abuse and neglect for a newborn infant whose blood, urine, or meconium contains any amount of a controlled substance, the Department must immediately communicate the report to the State's attorney's office of the county in which the infant was born.

During our testing, the Department did not communicate to the State's attorneys' offices for 12 of 40 (30%) reports of child abuse and neglect for infants exposed to controlled substances tested. Additionally, the Department did not immediately communicate the investigation reports to the State's attorneys' offices for 3 of 40 (8%) reports tested. Specifically, we noted the State's attorneys' offices were notified between 107 to 114 days from report date.

Department management stated the issues were due to investigators vetting test results to ensure results were confirmed and accurate.

Failure to timely communicate investigation reports to the State's attorneys' offices when the Department receives a report of child abuse and neglect for a newborn infant whose blood, urine, or meconium contains any amount of a controlled substance delays the State's attorneys in assisting with the child's case and results in noncompliance with the Act.

- The Act (325 ILCS 5/4.4c) states whenever the Department receives a report of suspected abuse or neglect of a child and the child is alleged to have been abused or neglected while receiving care in a hospital, including a freestanding psychiatric hospital licensed by the Department of Public Health (DPH), the Department shall notify the Director of Public Health and the Director of Healthcare and Family Services (HFS) of the report.

During our testing, the Department notified the Director of DPH and HFS of the report of suspected abuse or neglect of a child alleged to have been abused or neglected while receiving care in a hospital 34 days to 8,122 days from the investigation date for 4 of 30 (13%) reports tested.

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2024-004. **FINDING** (Noncompliance with the Abused and Neglected Child Reporting Act) - Continued

Department management indicated there was not a mechanism to monitor and track the field investigator notifications due to employee oversight.

Failure to notify within a reasonable timeframe the Director of DPH and HFS when the Department receives a report of suspected abuse or neglect of a child alleged to have been abused or neglected while receiving care in a hospital prevents the DPH and HFS from taking an immediate action to case for the child.

- The Act (325 ILCS 5/7.22a(c)) requires the Department to submit to the General Assembly reports summarizing the number of Unfounded Review and Indicated Reports of Child Abuse and Neglect (report) on December 1 and June 1 of each year.

During testing, we noted the Department was required to file four reports during the examination period. The results of our testing indicated the Department failed to timely file one (25%) of the reports required. Specifically, we noted the report due on December 1, 2022, was submitted to the General Assembly one day late.

Department management stated the required report was not submitted timely due to employee error.

Timely submission of reports on the number of Unfounded and Indicated Review Reports to the General Assembly is necessary for compliance with the Act and provides information on the metrics of Department investigations and the recommendations for reforms of the investigation system.

- The Act (325 ILCS 5/8.6) states the Department must send a copy of its final findings from an indicated report of child abuse and neglect to the child's school within 10 days of completing an investigation of alleged physical or sexual abuse under the Act.

During testing of 40 indicated reports, we noted the Department did not notify the child's school for one (3%) completed investigation. Additionally, the Department did not timely notify the children's school for 33 (83%) completed investigations. Specifically, we noted the schools were notified 3 to 848 days late.

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2024-004. **FINDING** (Noncompliance with the Abused and Neglected Child Reporting Act) - Continued

Department management stated the issues noted were due to investigator's reluctance to violate the privacy of the family by telling the school private matters of the child.

Failure to timely notify a child's school on the results of Indicated Review Reports related to alleged physical and sexual abuse limits the school's awareness on the situation of its student, in order to timely provide appropriate care and support to the child while attending the school.

- The Act (325 ILCS 5/7) requires the Department within 24 hours to orally notify local law enforcement personnel and the office of the State's attorney of the involved county of the receipt of any report alleging the death of a child, serious injury to a child, including, but not limited to, brain damage, skull fractures, subdural hematomas, and internal injuries, torture of a child, malnutrition of a child, and sexual abuse to a child, including, but not limited to, sexual intercourse, sexual exploitation, sexual molestation, and sexually transmitted disease in a child age 12 and under. During testing of 40 reports, we noted the following:
 - The Department did not timely notify local enforcement personnel and office of the State's attorney of the involved county for 17 (43%) reports tested. Specifically, we noted the local enforcement personnel, and the office of the State's attorney were notified 4 to 270 days late.
 - The Department did not notify the local enforcement and the office of the State's attorney of the involved county for 5 (13%) reports tested.

Department management stated the issues were due to investigators vetting test results to ensure results were confirmed and accurate prior to sending the notification.

Failure to timely notify the local law enforcement personnel and the office of the State's Attorney of the involved county of the receipt of any report alleging the death of a child, serious injury to a child prevents the law enforcement personnel and State's attorney office to investigate the suspected child abuse and neglect.

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2024-004. **FINDING** (Noncompliance with the Abused and Neglected Child Reporting Act) - Continued

- The Act (325 ILCS 5/4.2) requires the Department, no later than 6 months after the date of the death or serious life-threatening injury of the child, notify the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives and the members of the Senate and House of Representatives in whose district the child's death or serious life-threatening injury occurred upon the completion of each report and shall submit an annual cumulative report to the Governor and the General Assembly incorporating cumulative data about the above reports and including appropriate findings and recommendations. The reports shall be made available to the public after completion or submittal.

During testing of 40 reports, we noted for 10 (25%) reports tested, the Department did not notify the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives and the members of the Senate and House of Representatives in whose district the child's death or serious life-threatening injury occurred upon the completion of the report. Additionally, the Department did not provide timely notification upon the completion of one (3%) report. The notification was submitted 43 days after the 6 months' timeframe.

Department management stated the failure to submit the notification of completed reports was due to system error in uploading the information while the late notification was due to oversight.

Failure to timely notify the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives and the members of the Senate and House of Representatives in whose district the child's death or serious life-threatening injury occurred prevents the lawmakers from disclosing certain information concerning the circumstances of the investigations of the death or near death of the child to the best interest of the public.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2012. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan. (Finding Code No. 2024-004, 2022-005, 2020-019, 2018-017, 2016-014, 2014-017, 12-13)

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2024-004. **FINDING** (Noncompliance with the Abused and Neglected Child Reporting Act) - Continued

RECOMMENDATION

We recommend the Department perform the following:

- Immediately refer all reports of child abuse and neglect for a newborn infant whose blood, urine, or meconium contains any amount of a controlled substance to the appropriate State's attorney's office and to update procedures and provide training to staff to accomplish compliance with the Act.
- Notify the Director of DPH and HFS within a reasonable timeframe, when the Department receives a report of suspected abuse or neglect of a child, and the child is alleged to have been abused or neglected while receiving care in a hospital.
- Ensure the timely submission of all reports required by the Act to the General Assembly.
- Strengthen its monitoring procedures for investigators to ensure they notify and provide copy of its final findings from an indicated report of child abuse and neglect related to the child's school within 10 days of completing an investigation of alleged physical or sexual abuse of a student under the Act.
- Ensure local law enforcement personnel and the office of the State's attorney of the involved county of the receipt of any report alleging the death of a child or serious injury to a child are timely notified.
- Ensure the timely notification of all reports completed required by the Act to the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives and the members of the Senate and House of Representatives in whose district the child's death or serious life-threatening injury occurred.

DEPARTMENT RESPONSE

The Department agrees with the recommendations:

- In December 2023, the Department's Statewide Automated Child Welfare Information System (SACWIS) system was modified to generate notification letters to the relevant State's Attorney's Offices (SAO) regarding substance exposed to infants. One hundred percent of the notifications were completed after SACWIS was updated. However, this procedure was terminated in September 2024 due to a change in statute eliminating this requirement (325 ILCS) and the Department is no longer notifying SAO for this purpose.

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2024-004. **FINDING** (Noncompliance with the Abused and Neglected Child Reporting Act) - Continued

- The Department agrees with the recommendation regarding notifications to DPH and HFS. In November 2022, a new process was developed to more easily identify the investigations that required notification to DPH and HFS. This has been successful, and the process will continue.
- There are ongoing efforts to improve monitoring efforts to ensure the timely submission of reports.
- As it relates to strengthening the monitoring procedures for investigators to ensure that they notify and provide copy of its final findings from an indicated report of child abuse and/or neglect as it pertains to a child's school, within 10 days of completing an investigation of alleged physical or sexual abuse of a student, the State Central Register (SCR) Administration Unit has created a manual process to address this issue in the interim. Specifically, a report has been created and is generated monthly to aid in compliance with the statute. As a result, the Department is on track to produce 400% more compliance compared to the previous two years. Additionally, there has been increased communication between the SCR Administration Unit and the Department of Child Protection. As the IllinoisConnect system continues to be built and updated, this process will become automated.
- The Department agrees with the recommendation regarding ensuring local law enforcement personnel and the local State's Attorney's from the involved county are notified in a timely fashion of any report alleging the death of a child or serious injury to a child.
- As it relates to the generation of quarterly report of child's death or serious injury, the issue has been corrected, and all required notifications are being made as of April 2025.

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2024-005. **FINDING** (Noncompliance with the Children and Family Services Act)

The Department of Children and Family Services (Department) did not comply with the Children and Family Services Act (Act) (20 ILCS 505).

We tested several sections of the Act and noted the following exceptions:

- The Act (20 ILCS 505/21) requires the Department to provide each parent or guardian and responsible adult caregiver participating in a safety plan a copy of the written safety plan as signed by each parent or guardian and responsible adult caregiver and by a representative of the Department. In addition, the Department is also to provide each parent or guardian and responsible adult caregiver participating in a safety plan information on their rights and responsibilities. The rights and responsibility information are required to include, but need not be limited to, information on how to obtain medical care, emergency phone numbers, and information on how to notify schools or day care providers as appropriate.

During our testing of 40 participants, we noted the following:

- For four (10%) participants tested, the Department was unable to provide a copy of the written safety plan.
- For 13 (33%) participants tested, the safety plans were not reviewed and approved by the child protection supervisor.
- For two (5%) participants tested, the Department was unable to provide documentation supporting it had provided the parent, guardian, or responsible adult caregiver with safety plan information on their rights and responsibilities.
- For two (5%) participants tested, the safety plans were not signed by each parent/guardian/responsible adult caregiver and/or representative of the Department.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of its essential transactions to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Department management indicated the issues noted were due to employee error.

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2024-005. **FINDING** (Noncompliance with the Children and Family Services Act) - Continued

Failure to maintain and/or provide each parent or guardian and responsible adult caregiver participating in a safety plan increases the risk that all responsible parties will not follow the plan's guidance exposing the child to unnecessary safety concerns.

- The Act (20 ILCS 505/35.7) requires the Department to deploy Error Reduction Safety Teams (Team) to implement the Error Reduction Implementation Plans (Plan). The Team shall be composed of the Quality Assurance (QA) and Division of Training staff to implement hands-on training and the Plans. In addition, the Team is required to work with affected frontline staff to implement provisions of the approved Plans related to staff function and performance. For each Plan, the Team is required to determine whether adequate staff is available to fulfill the Plan, provide case-by-case supervision to ensure that the plan is implemented, and ensure that management puts systems in place to enable the reforms to continue. Additionally, the Department's Office of the Inspector General (OIG) shall work with QA members of the Team designated by the Department. The Department's QA shall identify outcome measures and track compliance with the training curriculum. Each quarter, the QA shall prepare a report detailing compliance with the Plan and alert the Director of the Department of staffing needs or other needs to accomplish the goals of the Plan. The quarterly report is required to be transmitted to the Director, the OIG, and all management staff in the Plan. The Act requires the Director to review the quarterly QA reports and determine adherence to the Plan using criteria and standards developed by the Department.

During our testing, we noted there were no QA staff and Director of the Team designated to implement the training and Plans required by the Act, including the submission of the quarterly QA reports during the engagement period.

Department management indicated that historically, the Quality Assurance Division has not had the necessary staff to perform the duties outlined in the mandate. When there was a reorganization around 2015, administration decisions were made and no QA staff was assigned to Teams. For a period of time this was an unfunded mandate, not an intentional cutting out of QA.

Failure to adequately staff the Error Reduction Team and absence of assessment from Quality Assurance would hinder the accomplishment of the goals of the Error Reduction Implementation Plan.

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2024-005. **FINDING** (Noncompliance with the Children and Family Services Act) - Continued

- The Act (20 ILCS 505/35.9) requires the Department to make reasonable efforts and accommodations to provide for visitation privileges to a non-custodial grandparent or great-grandparent of a child who is in the care and custody of the Department.

Section 301.240(b) *Grandparent and Great-Grandparent Visitation* of Department Procedures 301 Placement and Visitation Services states that the Department shall make reasonable and diligent efforts to provide a written response to the grandparent's/great-grandparent's initial request for visitation within 45 calendar days after the date the request is received. Additionally, Section 301.240(e) states that for request requiring clinical review, once a recommendation is received by the caseworker and supervisor, it shall be added to the child's case file and a written notice of the recommendation and the basis for the recommendation shall be sent to the requesting grandparent/great-grandparent within 14 calendar days.

During our testing of nine grandparent/great-grandparent visitation requests, we noted the following:

- For two visitation requests (22%) tested, the Department was unable to provide documentation that would give evidence when the initial request of grandparent/great-grandparent visitation was received, as a result, the auditors were unable to determine if reasonable efforts were made within 45 calendar days.
- For five visitation requests (56%) tested, the Department was unable to provide a copy of the written response sent to the requesting grandparent/great-grandparent, as a result, we were unable to determine if reasonable and diligent efforts were made within 45 calendar days.
- Eight of these nine visitation requests requested a clinical review, however, for two (25%) requests for a clinical review, the Department was unable to provide a copy of the written notice of recommendation and the basis for the recommendation to the requesting grandparent/great-grandparent, as a result, we were unable to determine if written notice was provided within 14 calendar days.

Department management indicated the missing documentation was due to employee error and miscommunication between divisions.

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2024-005. **FINDING** (Noncompliance with the Children and Family Services Act) - Continued

Failure to provide reasonable and diligent efforts within the required timeframes is noncompliance with the Act and Department rules.

- The Act (20 ILCS 505/41) requires the Department to submit to the General Assembly a report of employee assaults and threats on employees by January 1, April 1, July 1, and October 1 of each year.

During our testing of eight quarterly reports during the examination period, we noted one report (13%) was submitted to the General Assembly 18 days late.

Department management indicated the required report was not submitted timely due to employee error.

Failure to timely submit required reports delays the General Assembly from receiving useful, timely and relevant feedback on employee assaults and threats of Department employees.

- The Act (20 ILCS 505/4e(f)(2)) requires, beginning December 1, 2021, and annually thereafter, the Department to post on its website data from the preceding fiscal year regarding the following information: (A) the number of transportation plans authorized in accordance with Section 1-4.2 of the Juvenile Court Act of 1987; (B) whether there were any significant events, excluding significant event reports required under paragraph (1), and the number and description or type of any significant events that occurred during each transport made in accordance with this Section; (C) the number of transportation plans modified or denied in accordance with Section 1-4.2 of the Juvenile Court Act of 1987, including information regarding why the court modified or denied the transportation plan; and (D) the number of violations of this Section and for each violation, a detailed description of the date and circumstances.

During our testing, we noted that the required data from Fiscal Year 2022 and 2023 were not posted on the Department website.

Department management stated that they are currently working with the Department of Innovation and Technology (DoIT) to improve tracking of significant events in the system and report the required data to the Department's website.

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2024-005. **FINDING** (Noncompliance with the Children and Family Services Act) - Continued

Failure to post the required court-approved transportation plan from the preceding fiscal years on the Department website hinders the relevant third parties' ability to assess the information of those taking care of the State's youth-in-care.

- The Act (20 ILCS 505/4f(b)) requires the Department to conduct annual checks on a purchase of service agency and the drivers under the agency's employment to ensure compliance with this Section and all applicable laws, regulations, and Department rules.

During our testing of eight purchases of service contracts, the Department was unable to provide documentation supporting the Department conducted the required annual checks for two (25%) purchases of service contracts, therefore, the auditors were unable to test Department compliance with the required annual checks on the purchase of service agency and drivers.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Department management stated the failure to provide the documents was due to database issues.

Failure to conduct the annual checks on purchase of service and drivers is noncompliance with the Act and would not ensure transport of the youth in care of the Department will be safe and they be treated with dignity and respect.

- The Act (20 ILCS 505/5.26(a)) requires the Department to conduct an exit interview with every child aged 5 and over who leaves a foster home within 5 days of the child's removal from the home. Additionally, the Act (20 ILCS 505/5.26(c)) requires the Department, beginning July 1, 2023 and quarterly thereafter, post on its webpage a report summarizing the details of the exit interviews.

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2024-005. **FINDING** (Noncompliance with the Children and Family Services Act) - Continued

During our testing of 40 exit interviews, the Department did not conduct the exit interview for 32 (80%) children in a timely manner. The exit interviews were performed between 19 to 402 days after the children left the foster homes. Additionally, the Department did not prepare and post the required quarterly reports summarizing the details of the exit interviews on the Department's webpage during the examination period.

Department management indicated the issues noted were to competing priorities and oversight.

Failure to timely conduct an exit interview with every child aged 5 and over who leaves a foster home inhibits the Department from gathering relevant information in understanding the child's experience in the areas of their basic needs, access to a caseworker, therapist or guardian ad litem, safety and comfort in the home and normalcy. In addition, failure to post the reports summarizing the details of the exit interviews hinders the relevant third parties' ability to assess the information of those taking care of the State's youth-in-care.

- The Act (20 ILCS 505/5.46(i)) requires the Department, no later than February 28, 2023, to file a report with the General Assembly providing the following information for State Fiscal Years 2019, 2020, 2021, and 2022 and annually beginning February 28, 2023, for the preceding fiscal year: (1) the number of youth entering care; (2) the number of youth entering care receiving each of the following types of benefits: Social Security benefits, Supplemental Security Income, Veterans benefits, Railroad Retirement benefits; (3) the number of youth entering care for whom the Department filed an application for each of the following types of benefits: Social Security benefits, Supplemental Security Income, Veterans benefits, Railroad Retirement benefits; and (4) the number of youth entering care who were awarded each of the following types of benefits based on an application filed by the Department: Social Security benefits, Supplemental Security Income, Veterans benefits, Railroad Retirement benefits.

During our testing, we noted the Fiscal Year 2023 and Fiscal Year 2024 annual reports were submitted to the General Assembly 7 and 2 days late, respectively.

Department management indicated late submission of the annual reports was due to oversight.

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2024-005. **FINDING** (Noncompliance with the Children and Family Services Act) - Continued

Failure to timely submit annual reports delays the General Assembly from receiving useful, timely and relevant feedback on the 3 year pilot program of additional resources for families receiving Extended Family Support Program services whether the Department should continue with the program.

- The Act (20 ILCS 505/44(k)) requires the Department to provide a report and evaluation of the results of the Pat McGuire Child Welfare Education Fellowship Pilot Program (Program) at each participating institution to the General Assembly and the Office of the Governor by October 1, 2023 and each October 1 thereafter.

During our testing, we noted the Fiscal Year 2024 report covered the evaluation of the Program for both Fiscal Years 2023 and 2024, therefore the Fiscal Year 2023 report was submitted a year delayed.

Department management indicated the late submission of Fiscal Year 2023 report was due to oversight.

Failure to timely submit the annual report delays the General Assembly and the Office of the Governor from receiving useful, timely, and relevant feedback on the pilot program.

- The Act (20 ILCS 505/7.4) requires the Department to promulgate rules addressing the development and preservation of sibling relationships. Also, the Act requires the Department to develop a Sibling Contact Support Plan when siblings, under the care of the Department, are placed in separate placements. Additionally, the Act requires the Department to develop a form to be provided to youth entering care or exiting care explaining their rights and responsibilities related to sibling visitation while in care and post permanency.

Section 301.70(j) *Sibling Placement* of Department Rule 301 states that when siblings are placed apart, the caseworker shall develop a Visitation and Contact Plan that sets forth future contact and visits between the siblings to develop, preserve and nurture the siblings' relationships.

The Department has developed the form Illinois Foster Child and Youth Bill of Rights (CFS 496-1) explaining the youth rights and responsibilities upon initial placement. The Form CFS 496-1 indicates that permanency workers shall review this form with each child in substitute care within the first 30 days after the child's initial placement and provide a copy to the child.

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2024-005. **FINDING** (Noncompliance with the Children and Family Services Act) - Continued

During our testing of 66 children from 23 family group cases with siblings staying at different locations, we noted the following:

- For six (9%) children tested, the Department was unable to provide the Sibling Visitation and Contact Plans.
- For 33 (50%) children tested, the Department did not provide the Form CFS 496-1, therefore, the auditors were unable to determine whether the Department has explained to the youth their rights and responsibilities related to sibling visitation.

Department management indicated they were unable to provide the missing documentation due to competing priorities and oversight.

Failure to develop a Visitation and Contact Plan when siblings are placed apart inhibits siblings from making future contacts and visits to develop siblings' relationships. In addition, when children are not provided with the Foster Child and Youth Bill of Rights (CFS 496-1), the children might be unaware of their rights and where to seek help for addressing potential violations of those rights.

- The Act (20 ILCS 505/39.3) requires the Department to place in each residential treatment center, group home, shelter, and transitional living arrangement that accepts youth in care for placement by the Department a locked suggestion box into which residents may place comments and concerns to be addressed by the Department. The Act requires an employee of the Department to check the locked suggestion boxes at least once per week. Additionally, Section 30.4(b)(3) Residential Monitoring of the Department's Administrative Procedure #30 indicates that the Monitor is responsible for opening the suggestion boxes and reviewing youth suggestions/concerns every 7 days.

During our testing of 21 suggestions during the examination period, we noted six (29%) suggestions were documented and reviewed 14 to 57 days after the date of suggestion.

Department management indicated the delay in reviewing the suggestions was due to competing priorities and oversight.

Failure to timely open the suggestion boxes and review suggestions/concerns of children limits the Department from understanding and addressing the issues and concerns of children under their care.

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2024-005. **FINDING** (Noncompliance with the Children and Family Services Act) - Continued

This finding was first reported during the Fiscal Year 2016. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan. (Finding Code No. 2024-005, 2022-009, 2020-020, 2018-018, 2016-015)

RECOMMENDATION

We recommend the Department perform the following:

- Ensure a signed written safety plan is provided to each parent or guardian and responsible adult caregiver participating in a safety plan, and the Department retain a copy of said safety plan.
- Adequately staff the Team to continue accomplishing the goals of the Error Reduction Implementation Plan.
- Ensure to maintain documentation of grandparent/great-grandparent visitation requests and the Department's written responses to such requests to corroborate if reasonable efforts were made by the Department.
- Ensure timely submission of all reports to the Governor and General Assembly required by the Act.
- Ensure to post on the Department website the court-approved transportation plan from the preceding fiscal years.
- Maintain monitoring documents of all annual checks conducted on the purchase of service agency and the drivers under the agency's employment.
- Ensure exit interviews are timely conducted with every child aged 5 and over who leaves a foster home and post on the Department website the required quarterly reports summarizing the details of the exit interview.
- Ensure Sibling Visitation and Contact Plans are developed when siblings are placed apart and permanency workers diligently review the Illinois Foster Child and Youth Bill of Rights (CFS 496-1 Form) with each child and provide a copy of the form to the child.
- Ensure suggestion boxes are timely opened and suggestions timely reviewed and addressed.

DEPARTMENT RESPONSE

The Department agrees with the recommendations:

- The Department will ensure a signed written safety plan is provided to each parent or guardian and responsible adult caregiver participating in a safety plan and the Department will retain a copy of said safety plan.
- As it relates to the Error Reduction Implementation Plans, the Department is collaborating with the Office of Inspector General to propose changes to the relevant legislation. Since this legislation became effective, there have been

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2024-005. **FINDING** (Noncompliance with the Children and Family Services Act) - Continued

significant advances in the body of knowledge pertaining to safety science that could be applied in the context of child welfare to accomplish the intended outcomes of reduction in fatalities and serious harms. Even the safest systems experience what could be considered “errors,” but the response by the system to such critical incidents can impact the future safety record of the organization. Responses that embody a culture of safety have been shown to result in fewer “errors” or critical incidents. Once legislative remedies have been addressed, the Department will re-examine staffing needs to accomplish the requirements of the Act.

- The Department will ensure that the caseworkers and case managers in the “field” are aware of the procedural requirements related to documentation of requests for grandparent visitation and the 45-day written response requirement. For cases where a clinical review is requested, the Clinical Unit will provide a written notification of the final recommendation related to the grandparent/great-grandparent request and maintain this letter with the clinical summary. This notice will be provided within 14 calendar days upon the recommendation.
- The Department will work to ensure all reports are submitted timely to the General Assembly and Governor.
- The Department is currently working with the Department of Innovation and Technology (DoIT) to improve tracking of significant events in the electronic system and report the required data to the Department’s website.
- The Department commits to implementing comprehensive corrective measures to strengthen contract monitoring oversight. The Office of Contract Administration offers periodic training to Program Monitors and the Department has deployed a new performance monitoring tool that enhances our ability to systematically track contract compliance and maintain comprehensive documentation of all monitoring activities.
- The Department will ensure exit interviews are timely and conducted with every child aged 5 years and older who leaves a foster home. The Department will post to the website the required quarterly reports summarizing the details of the exit interview.
- The Department will ensure Sibling Visitation and Contact Plans are developed when siblings are separated and that permanency workers review the Illinois Foster Child and Youth Bill of Rights (CFS 496-1 Form) with each child as well as provide a copy of the form to the child.
- The Department will ensure suggestion boxes are opened timely, and suggestions are timely reviewed and addressed.

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2024-006. **FINDING** (Noncompliance with the School Code)

The Department of Children and Family Services (Department) failed to comply with the School Code (Code) (105 ILCS 5/22-85(j)).

The Code (105 ILCS 5/22-85(b-c)) states that when a mandated reporter within a school has knowledge of an alleged incident of sexual abuse of a child that is alleged to have been perpetrated by school personnel, including a school vendor or volunteer, that has occurred on school grounds or during a school activity or outside school grounds or not during a school activity, he or she must report the alleged incident to the Department's hotline. The Code requires reports of alleged incident of sexual abuse accepted by the Department must be investigated. Additionally, the Code (105 ILCS 5/22-85(j)) requires the Department to notify the relevant school the outcome of the agency investigation of an alleged incident of sexual abuse when completed. The Department does not have a formal written policy but considers 60 days a reasonable timeframe to send these notifications.

During our testing of 40 alleged incident of sexual abuse investigations, we noted for 21 (53%) investigations tested, the Department did not timely notify the relevant schools when an investigation of an alleged incident of sexual abuse was completed. Specifically, we noted the notifications were sent to the relevant schools between 64 to 607 days from the completion of the investigation.

Department management stated the delays were mainly due to the notification process having to be manually completed by staff and noted the Department generally will verbally communicate the investigation results to the school much sooner.

Failure to timely notify relevant schools when an investigation of an alleged incident of sexual abuse is completed limits the school's awareness on the situation of its student, in order to timely provide appropriate care and support to the child while attending the school. Further, it represents noncompliance with the Code. (Finding Code No. 2024-006, 2022-006)

RECOMMENDATION

We recommend the Department to timely notify the relevant school of the child involved in the investigation when the investigation of alleged incident of sexual abuse is completed.

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2024-006. **FINDING** (Noncompliance with the School Code) - Continued

DEPARTMENT RESPONSE

The Department agrees with the recommendation to timely notify the relevant school of the child involved in the investigation when the investigation of alleged incident of sexual abuse is completed and is working to automate this process through IllinoisConnect. The State Central Register Administration Unit has created a manual process in the interim while the IllinoisConnect system continues to be built. This report is created and generated monthly to aid in compliance with the statute; notification to schools is sent manually and within a 60-day timeframe.

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2024-007. **FINDING** (Inadequate Internal Controls Over Accident Reporting)

The Department of Children and Family Services (Department) failed to maintain adequate internal controls over accident reports.

We requested the Department to provide a population of accident reports during the examination period. In response to this request, the Department provided a population, however, we noted discrepancies between the Department's population and the Auto Liability Report of accidents produced from the Department of Central Management Services' (CMS) database. Specifically, we noted there were eight accidents in the Department's population which were not in the Auto Liability Report obtained from CMS. In addition, there were four accidents reported in CMS' Auto Liability Report but were not included in the Department's population. Therefore, we noted the Department failed to provide a complete and accurate population of accidents that occurred during the examination period.

Department management stated the listing did not reconcile due to the confusion as to the type of accidents needed to be reported to CMS by the vehicle coordinator.

Due to these conditions, we were able to conclude the Department's population records for operation of automobile accidents were not 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 which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, we tested the Department's accidents reports and noted the following:

- For three of 15 (20%) accident reports tested, the Motorist's Report of Illinois Motor Vehicle Accident forms (Form SR-1) were not submitted to CMS.
- For two of 15 (13%) accident reports tested, the Forms SR-1 were submitted to CMS one and nine days late.
- For one of 15 (7%) accident reports tested, the Form SR-1 was submitted to the Department's vehicle coordinator 10 days late.

The Illinois Administrative Code (44 Ill. Admin. Code 5040.520(i)) and the CMS Vehicle Guide requires all accidents reported on Form SR-1 be sent to CMS no later than seven days after the accident has occurred. In addition, Section 8.4 of the Department's Employee Handbook requires the Form SR-1 be completed and

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2024-007. **FINDING** (Inadequate Internal Controls Over Accident Reporting) - Continued

submitted to the Agency Accident Coordinator within three days following the accident.

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

Department management stated that although CMS notification was sometimes made informally, the failure to file the SR-1 form timely is due to the fleet tripling from 54 to 164 vehicles statewide with the same number of staff to manage the entire fleet and delays of employee submission of information to the vehicle coordinator.

Untimely submission of accident reports could delay an investigation, impair the State's ability to defend itself against claims, or delay settlement of claims made against the State. Further, 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 compliance with the Code. (Finding Code No. 2024-007, 2022-016, 2020-017, 2018-015, 2016-012, 2014-016, 12-15)

RECOMMENDATION

We recommend the Department implement internal controls to ensure it adequately tracks all motor vehicle accidents to make certain they are filed and timely reported to the vehicle coordinator and CMS.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will continue to hire individuals within the region's field offices to better monitor when any incident or accident occurs in a State vehicle and provide correct forms and reporting information to the driver involved. Upon completion of said forms, the Department will report to the Statewide Vehicle Coordinator (VC) within the required reporting timeframe, allowing the VC in turn to report to CMS Risk Management within the reporting timeframe and therefore strengthen the accountability of accident reporting.

Of note, prior year's hirings did improve the maintaining adequate vehicle maintenance requirements, however soon after these additional positions were filled, the Department's fleet tripled, creating the need for additional staff. Additional headcount has once again been secured and the Department also hired an Assistant Fleet Manager located in Springfield to work alongside the VC to maintain contact

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2024-007. **FINDING** (Inadequate Internal Controls Over Accident Reporting) - Continued

with on-site vehicle coordinators. Together this team works to collect documentation and other information such as police reports, driver exchange forms, and/or photos of vehicle damage regarding incidents/accidents in any Department fleet vehicle.

Finally, Accident Reporting Procedures from the Administrative Code which was amended by Joint Committee on Administrative Rules effective 10/29/24 has changed the previous reporting requirement of a completed and signed SR-1 form being submitted by the State driver, to replacing the SR-1 form requirement with the new CMS Claim Intake Form. The State driver requirement to complete and submit two forms (the SR-1 and the Uniform Cover Letter) is now reduced to just one (the CMS Claim Intake Form), thus making it less time consuming to file an accident report within the required timeframe.

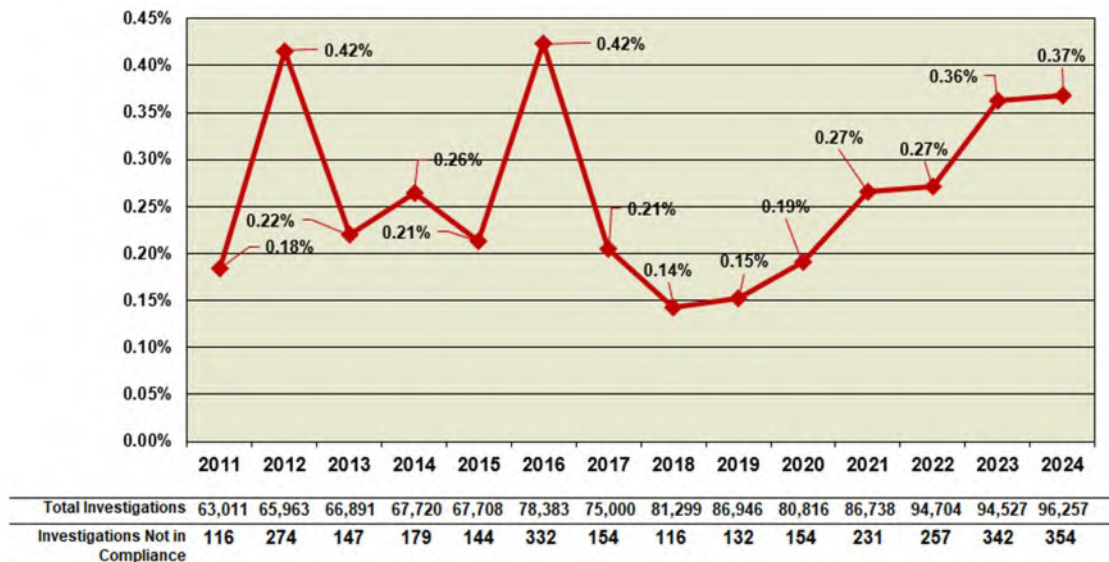
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2024-008. **FINDING** (Untimely Initiation of Investigations of Child Abuse and Neglect)

The Department of Children and Family Services (Department) did not timely initiate investigations of child abuse and neglect within 24 hours of receipt of the report as required by the Abused and Neglected Child Reporting Act (Act).

The Act (325 ILCS 5/7.4(b)(2)) requires child abuse and neglect investigations to “be commenced within 24 hours of receipt of the report.”

The Department’s Monitoring/Quality Assurance Division compiles statistics and reports on instances of noncompliance with the Act, based on data extracted from the Department’s data warehouse and the Department’s Statewide Automated Child Welfare Information System (SACWIS). These reports are a summary of activity entered into SACWIS by the field offices. Department supervisors conduct weekly manual reviews of the reports of child abuse and neglect to monitor whether all investigations are initiated timely and in compliance with the Act. The Monitoring/Quality Assurance Division has compiled the following statistics:



As indicated in the chart above, the Department did not timely initiate an investigation for 342 of the 94,527 (0.36%) reports and for 354 of the 96,257 (0.37%) reports of child abuse and neglect in Fiscal Years 2023 and 2024, respectively.

After receiving the statistics above, we requested the Department to provide us a population of investigations initiated beyond 24 hours from receipt of the report during the examination period. The Department subsequently provided the requested population generated from SACWIS, however, during our testing, we noted the listing

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2024-008. **FINDING** (Untimely Initiation of Investigations of Child Abuse and Neglect) - Continued

included investigations that were initiated within 24 hours from receipt of the report. Due to this condition, we were unable to conclude the Department's population was sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Accountants (AT-C § 205.36).

Even given the population limitations noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, we selected 60 of the 696 investigations noted as not being initiated within 24 hours for further detailed testing in order to determine if the Department was meeting the 24-hour requirement or if the SACWIS data contained in the chart was incorrect. For 36 investigations sampled (60%), the Department did not meet the statutory 24-hour requirement. Specifically, we noted the Department initiated an investigation 0.02 hours to 142 days after the required timeframe.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 1998. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

Department management stated the issues noted were largely due to inconsistent documentation methods used by the Department's staff and contracted agencies. Other factors outside of the Department's control also contribute to the very minute percentage of noncompliance noted.

Failure to respond to a report of abuse or neglect within 24 hours could result in further endangerment to the child and is a violation of the Act. Failure to maintain accurate data hinders the Department's ability to provide relevant feedback to the General Assembly. (Finding Code No. 2024-008, 2022-008, 2020-008, 2018-006, 2016-003, 2014-004, 12-4, 10-4, 08-4, 07-3, 06-3, 05-5, 04-6, 03-3, 02-4, 00-7, 99-10, 98-9)

RECOMMENDATION

We recommend the Department initiate investigations of all child abuse and neglect reports within the timeframe mandated by the Act and ensure complete and accurate information on initiation of investigations is maintained.

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2024-008. **FINDING** (Untimely Initiation of Investigations of Child Abuse and Neglect) -
Continued

DEPARTMENT RESPONSE

The Department agrees with the recommendation to initiate all child abuse and neglect reports within 24-hours of receiving the report as mandated by the Act. Of note, the Department's investigators did initiate the investigation within 24-hours 99.63% of the time, which is a testament to the hardworking staff and their commitment to compliance and serving the children of Illinois. The Department agrees to increase the percentage from 99.63% to 100% timely initiation.

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2024-009. **FINDING** (Noncompliance with the Adoption Act)

The Department of Children and Family Services (Department) did not comply with the Adoption Act (Act).

During testing, we noted the following:

- The Department could not provide documentation to demonstrate it had distributed the written list of all pre-adoption approval requirements to 28 of 40 (70%) adoption agencies tested.

The Act (750 ILCS 50/4.1(b)(3)) requires the Department to distribute a written list of all pre-adoption approval requirements to all Illinois licensed child welfare agencies performing adoption services and all out-of-state agencies approved.

- For 19 of 19 (100%) licensed child welfare agencies tested, the Department did not provide information about the Department's post-placement and post-adoption support services including the Department's toll-free number to these agencies.

The Act (750 ILCS 50/18.9(c)) requires the Department to publicize information about the Department's post-placement and post-adoption support services for all children adopted under this Act, all children residing in this State adopted under the Interstate Compact on the Placement of Children, all children residing in this State adopted under the Intercountry Adoption Act of 2000 and all former youth in care who have been placed in a guardianship and the toll-free number to respond to requests from the public about its post-placement and post-adoption support services. Additionally, the Act requires the Department provide the information to every licensed child welfare agency, every out of State placement agency or entity approved under Section 4.1 of this Act, and any entity providing adoption support services in the Illinois courts.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

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

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2024-009. **FINDING** (Noncompliance with the Adoption Act) - Continued

Department management stated issues noted were due to employee error and staffing changes.

Failure to distribute a written list of all pre-adoption approval requirements to all Illinois licensed child welfare agencies performing adoption services and all out-of-state agencies duly approved by the Department and failure to provide information about the Department's post-placement and post-adoption support services including Department's toll-free number to all Illinois licensed adoption agencies and out-of-state adoption agencies represent noncompliance with the Act. (Finding Code No. 2024-009, 2022-012, 2020-021, 2018-019)

RECOMMENDATION

We recommend the Department maintain documentation to demonstrate it distributes a written list of all pre-adoption approval requirements to all Illinois licensed child welfare agencies performing adoption services and all out-of-state agencies approved under the Act. We also recommend the Department to ensure information regarding the Department's post-placement and post-adoption support services be provided to every licensed child welfare agency, every out of State placement agency or entity approved under Section 4.1 of the Act, and any entity providing adoption support services in the Illinois court.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. Measures have been taken to ensure all staff have access to a shared drive containing copies of the distributed written list of all pre-adoption approval requirements. Additionally, the Department will ensure information regarding the Department's post-placement and post-adoption support services is provided to every licensed child welfare contributing agency, every out of State placement agency or entity approved under Section 4.1 of the Act, and any entity providing adoption support services in the Illinois court through public notification on the Department's website.

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2024-010. **FINDING** (Inadequate Controls Over Applications and Data Accuracy)

The Department of Children and Family Services (Department) did not maintain adequate internal controls over the accuracy of its applications and data.

The Department utilizes several applications to carry out its mission, including the Statewide Automated Child Welfare Information System (SACWIS). During our testing, we noted:

- The Department did not document the requirements to ensure the accuracy and completeness of data, correction of errors, avoidance of duplicate data, and the balancing of data with source information for SACWIS.
- The Department's reports on Initiation of Investigations of Child Abuse and Neglect from SACWIS contain data entry errors. Specifically, we noted date and time of initiation of investigations were not accurately entered in SACWIS. See Finding 2024-008 for further details.
- The Department provided SACWIS data during our follow ups to recommendations noted in the Status of Performance Audit Recommendations section of the Department's State Compliance Examination report for which we could not either confirm the data's accuracy or we noted the data was inaccurate. Specifically, data accuracy issues arose during the following testing procedures:
 - Recommendation 3 in the Status of Performance Audit Recommendations of the *Management Audits for the Management Audit of the Department of Children and Family Services Search for Missing Children*.
 - Recommendation 16 in the Status of Performance Audit Recommendations of Management Audits for the *Performance Audit of the Department of Children and Family Services LGBTQ Youth-In-Care*.

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 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.

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2024-010. **FINDING** (Inadequate Controls Over Applications and Data Accuracy) - Continued

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2020. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

Department management stated that the SACWIS case management system is driven by rules and procedures for the different disciplines of the Department, the intent of which is timely and accurate work, and the system cannot always identify what is duplicative or inaccurate.

The lack of adequate internal controls over Department applications and data could result in unauthorized changes and incomplete and inaccurate data. (Finding Code No. 2024-010, 2022-022, 2020-009)

RECOMMENDATION

We recommend the Department develop procedures to document the requirements for ensuring the accuracy and completeness of data, correction of errors, avoidance of duplicate data, and the balancing of data with source information for SACWIS.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. As it is being created and deployed, the IllinoisConnect system implementation team is taking all recommendations under advisement. Utilizing the technology and process improvements available, mitigations will be implemented. As issues are identified in existing systems, those issues are evaluated for immediate remediation when appropriate.

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2024-011. **FINDING** (Monthly Reconciliations not Performed Timely)

The Department of Children and Family Services (Department) did not timely perform monthly reconciliations of Department's accounting and financial data to the Office of Comptroller (Comptroller) records.

During our sample testing of monthly reconciliations of Department records to the Comptroller records in the Statewide Accounting Management System (SAMS), we noted the following:

- Four of 32 (13%) Appropriations Status Report (SB01) monthly reconciliations tested were not performed on a timely basis. The untimely reconciliations ranged from 14 to 45 days late.
- Two of 32 (6%) Revenue Status Report (SB04) monthly reconciliations tested were performed one and 41 days late.
- The Department did not perform monthly reconciliations of the Agency Contract Report (SC14) or the Obligation Activity Report (SC15) during Fiscal Years 2023 and 2024. The Comptroller's records show the Department had \$378,576,203 and \$463,189,861 in contracts at June 30, 2023 and June 30, 2024, respectively.

Further, during our testing of the Department's five locally-held fund's monthly bank reconciliations for Fiscal Year 2023 and Fiscal Year 2024, we noted for one of 120 (1%) monthly bank reconciliation tested, the Department did not document the date the reconciliation was performed, thus we were unable to determine if the reconciliation was performed within 60 days of the applicable month's end.

The SAMS Manual (Procedure 07.30.20) requires agencies to complete the monthly reconciliations of accounting and financial information to SAMS within 60 days of month end.

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 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.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2020. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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2024-011. **FINDING** (Monthly Reconciliations not Performed Timely) - Continued

Department management stated failure to complete monthly reconciliations for Reports SC14 and SC15 and other delays in completing monthly reconciliations were due to competing priorities of staff time caused by long term staffing vacancies in key management positions in the Finance Division.

Timely reconciliations are an important internal control procedure and mechanism that allows the Comptroller to take necessary corrective action in the event irreconcilable differences between Department and Comptroller records occur. (Finding Code No. 2024-011, 2022-018, 2020-024)

RECOMMENDATION

We recommend the Department develop procedures and properly train designated staff to accurately perform monthly reconciliations on a timely basis.

DEPARTMENT RESPONSE

The Department agrees with and has partially implemented the auditor's recommendation. Key positions were added during the audit period and all SB05 (cash), locally held fund, SB01 (Appropriation Status Report) and SB04 (Revenue Status Report) reconciliations are being completed timely in accordance with Comptroller requirements. The Department continues to search for solutions to ensure timely compliance with SC14 and SC15 monthly reconciliations.

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2024-012. **FINDING** (Failure to Maintain Accurate Property Records)

The Department of Children and Family Services (Department) did not maintain adequate internal controls over its property and related fixed asset records.

During our testing of the Department's quarterly Agency Report of State Property (Form C-15) filed with the Office of Comptroller (Comptroller), we noted the Department's State property listing could not be reconciled with the ending balances reported in the C-15 for the fourth quarter ended June 30, 2023. Specifically, we noted an irreconcilable difference of \$71,214 between the Department's property listing and the Form C-15.

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) to test the Department's equipment.

Even given the population limitations noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, we performed the following tests:

List to Floor and Floor to List Testing:

During our physical inspection of 50 equipment items, we noted two equipment items (4%), totaling \$64,434, were not found at the location indicated on the property's listing.

The Statewide Accounting Management System (SAMS) (Procedures 29.10.10) requires the Department to maintain detailed property records and update property records as necessary to reflect the current balance of the State property. Such detailed records are to be organized by major asset category and include information such as the location, among others. In addition, the Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.230) requires the Department to correctly enter each item's location code number on its property listing.

Additions testing:

During our testing of additions, we noted one of 40 (3%) equipment acquisitions amounting to \$2,685, lacked supporting documentation. As a result, we were unable to determine whether the addition was properly and timely recorded.

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2024-012. **FINDING** (Failure to Maintain Accurate Property Records) - Continued

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

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

Department management stated exceptions noted were due to lack of appropriate staffing resulting in competing priorities.

Failure to maintain accurate property records and file accurate reports represent noncompliance with State laws and regulations and increases the potential for fraud and theft of State property. (Finding Code No. 2024-012, 2022-015, 2020-016, 2018-014)

RECOMMENDATION

We recommend the Department strengthen its controls over the recording and reporting of its State property and equipment transactions to ensure property records accurately reflect equipment on-hand in accordance with State regulations, and equipment items are properly inventoried.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. Competing priorities make it difficult for the understaffed property unit to annually conduct a thorough inventory of 40,000+ items, enter items into the ERP System, compile discrepancy listings, travel statewide to reconcile discrepancies, manage all orders statewide, process daily property movement and surplus of items, quarterly reporting, vouchering, invoicing, contract management, enter purchased items into the ERP, floor plan development, and handle other necessary tasks. The property control unit has advocated for additional staff to manage the unit's responsibilities. Recently, an office coordinator position has been filled. The additional position for Cook County is currently vacant. The property control unit will also request a re-structuring to include some current positions to be moved under the unit to continue to effectively manage daily movement of items in and out of warehouses. Continual communication regarding

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2024-012. **FINDING** (Failure to Maintain Accurate Property Records) – Continued

daily delivery receipts to account for movement of items has been sent to facility managers so the ERP System can be updated timely. Timely reporting of purchase orders is also emphasized agency wide to improve entry of new items into the system on a timely basis.

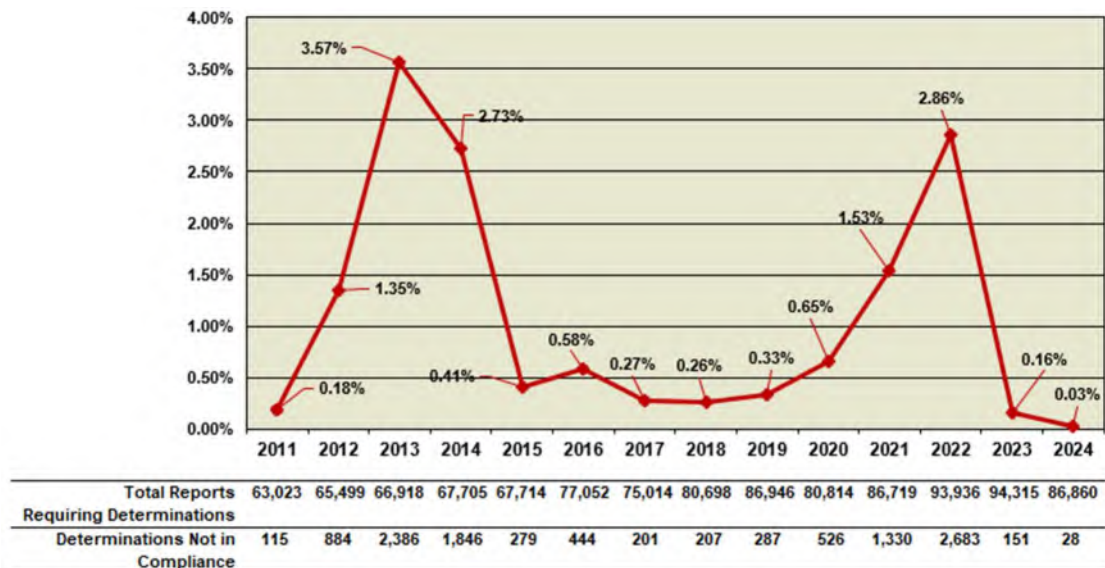
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2024-013. **FINDING** (Untimely Child Abuse and Neglect Determinations)

The Department of Children and Family Services (Department) did not make timely determinations of whether reports of child abuse and neglect were “indicated” or “unfounded” as required by the Abused and Neglected Child Reporting Act (Act).

The Act (325 ILCS 5/7.12) requires the Child Protective Service Unit to determine, within 60 days, whether a report is “indicated” or “unfounded.” It further provides the Department may extend, for up to an additional 30 days, the period in which individual cases are determined. Reasons for which the determination period may be extended include, but are not limited to, the following circumstances (89 Ill. Adm. Code 300.110(i)(3)(D)): i) State’s attorneys or law enforcement officials have requested that the Department delay making a determination due to a pending criminal investigation; ii) medical or autopsy reports needed to make a determination are still pending after the initial 60 day period; iii) the report involves an out-of-state investigation and the delay is beyond the Department’s control; or iv) multiple alleged perpetrators or victims are involved necessitating more time in gathering evidence and conducting interviews.

The Department’s Monitoring/Quality Assurance Division compiles statistics in the Department’s application identified as the Statewide Automated Child Welfare Information System (SACWIS) to track reports that are not determined to be either “unfounded” or “indicated” in compliance with the Act (within 60 days of receipt of the report, or within 90 days if a 30-day extension is permitted). The following is a summary of those statistics:



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2024-013. **FINDING** (Untimely Child Abuse and Neglect Determinations) - Continued

As indicated in the chart above, the Department did not make timely determinations within 60 days in 151 of the 94,315 (0.16%) reports and in 28 of the 86,860 (0.03%) reports of child abuse and neglect referred to the Department during Fiscal Years 2023 and 2024, respectively.

After receiving the statistics above, we selected 43 of the 179 investigation reports noted as not being completed within 60 days for further detailed testing in order to determine if the Department was meeting the 60-day requirement or if the SACWIS data contained in the chart was incorrect. For 43 investigation reports sampled (100%), we confirmed the Department did not meet the statutory 60-day requirement or after a granted extension was allowed for. Specifically, we noted the investigation reports were determined 1 to 3 days after the required due date.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 1998. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

Department management stated the issues noted were largely due to inconsistent documentation methods used by the Department staff and contracted agencies. Other factors outside of the Department's control also contribute to the very minute percentage of noncompliance noted.

Failure to make timely determinations of reports of abuse and neglect could delay the implementation of a service plan and result in further endangerment of the child and is a violation of the Act. (Finding Code No. 2024-013, 2022-007, 2020-007, 2018-005, 2016-002, 2014-003, 12-3, 10-3, 08-3, 07-2, 06-2, 05-4, 04-5, 03-2, 02-3, 00-8, 99-11, 98-10)

RECOMMENDATION

We recommend the Department make timely determination of reports of child abuse or neglect to comply with the timeframe mandated by the Act.

DEPARTMENT RESPONSE

The Department agrees with the recommendation to determine reports of child abuse or neglect in compliance with the timeframe mandated by the Act. The Department notes the significant improvement demonstrated within the audit period and agrees to increase the percentage from 99.97% to 100% completion of investigation within 60 days.

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2024-014. **FINDING** (Inadequate Controls Over Documentation of Monitoring of Contracts with Provider Agencies)

The Department of Children and Family Services (Department) did not have adequate controls over documentation of the monitoring of its provider agencies for compliance with contract terms.

During our review of 60 contracts with provider agencies totaling \$86 million, we noted for three (5%) contracts tested, the Department was unable to provide the close out performance report, therefore, compliance to the submission of the required report could not be determined. For these three provider agencies, appropriations totaled approximately \$9,351,546 during Fiscal Years 2023 and 2024. Total grants expended for the three contracts during Fiscal Years 2023 and 2024 totaled \$8,356,861, which was paid from the General Revenue Fund 0001 (\$6,500,000), and the Children's Services Fund 0220 (\$1,856,861).

The grant agreements require the grantees to submit close-out performance reports, in the format required by the grantor, no later than 60 calendar days following the end of the period of performance or Agreement termination. Additionally, the Illinois Administrative Code (44 Ill. Admin Code 7000.440(b)(1)) requires the grantee to submit, no later than 60 calendar days after the end date of the period of performance, all financial, performance and other reports required by the Grant Agreement.

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 State resources are used efficiently and are safeguarded against loss. All the contracts tested contained language requiring fiscal and program monitoring by the Department. The Department's performance of the monitoring should result in and be documented by the Department utilizing a monitoring report with corrective action plans when necessary.

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

Department management stated documenting close out performance reports was not consistent due to workforce changes.

Failure to monitor the performance of contracted services could lead to overpayments and payments for services not performed in accordance with contract terms and requirements. Additionally, failure to ensure provider agencies submission of grant required reports impedes the Department's ability to assess the effectiveness of the

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2024-014. **FINDING** (Inadequate Controls Over Documentation of Monitoring of Contracts with Provider Agencies) - Continued

programs and the propriety of the grant expenditures. (Finding Code No. 2024-014, 2022-011, 2020-013, 2018-010, 2016-008, 2014-009, 12-7)

RECOMMENDATION

We recommend the Department ensure provider agencies submit reports as required by the contracts. Additionally, we recommend the Department perform and document adequate monitoring on all contracts to ensure contract payments are for services received and that program plans and performance goals are achieved.

DEPARTMENT RESPONSE

The Department agrees with the auditor's recommendation and commits to implementing comprehensive corrective measures to strengthen contract monitoring oversight. The Office of Contract Administration offers periodic training to Program Monitors and the Department has deployed a new performance monitoring tool that enhances the Department's ability to systematically track contract compliance and maintain comprehensive documentation of all monitoring activities.

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2024-015. **FINDING** (Failure to Fully Utilize the State’s Enterprise Resource Planning System)

The Department of Children and Family Services (Department) did not utilize all capabilities of the State’s Enterprise Resource Planning (ERP) System which resulted in unnecessary inefficiency.

The State’s implementation of an ERP System centralized the finance, procurement, grants management, and asset management processes by replacing outdated manual systems and technologies. The ERP System can enhance transparency of data, reduce processing time, and improve the timeliness of financial reporting. During the examination period, the ERP System’s processing integrity was sufficient to enable reliance upon the ERP System’s processing of transactions.

For commodities and property inventories, the ERP System has several functionalities which reduce the amount of manual transactions and processing time, such as the “shopping cart” feature that creates a purchase order, tracks receipt of the goods or service along with the vendor’s related invoice, helps generate the voucher fields necessary for the processing of payment to the vendor, records inventory and property transactions, and enables financial reporting to the Comptroller’s Office.

During our examination, we noted the Department did not utilize the Grants and Material Management ERP Modules.

- The Grants Management module maintains the budget, obligations, actual expenditures, revenues, etc. associated with each specific grant.
- The Materials Management module records transactions related to the purchase of goods/services.

Government Auditing Standards (§ 1.02) states the concept of accountability for use of public resources and government authority is key to our nation’s governing processes. Management and officials entrusted with public resources are responsible for carrying out public functions and providing service to the public effectively, efficiently, economically, and ethically within the context of the statutory boundaries of the specific government program.

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. Good internal controls over compliance include ensuring the full capabilities of the ERP System are used to efficiently process, record, and report transactions.

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2024-015. **FINDING** (Failure to Fully Utilize the State's Enterprise Resource Planning System) - Continued

Department management stated that careful review of the Departments' utilization of all ERP modules was done during implementation in Fiscal Year 2019. At that time, with consultation with the State ERP team, it was determined that the Grants Management and Materials Management modules would actually hinder the Departments' efficiency for these transaction types as the ERP, as configured for the State's use, would not allow the Department to retire its legacy accounting systems.

Failure to fully utilize the State's ERP System could result in outdated systems not being supported, untimely financial information and the lack of full transparency and result in the inefficient usage of State resources. (Finding Code No. 2024-015, 2022-020)

RECOMMENDATION

We recommend the Department to work with the Department of Innovation and Technology to transition and fully utilize the Grants and Materials Management modules of the ERP System.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and has partially implemented the recommendation. The Department continues to increase the use of the State's ERP System. In the prior audit, the Department was cited for not utilizing or fully utilizing 5 of the ERP's functional modules. As cited in this finding, there are only 2 modules left that the Department is not utilizing. The Department will continue to work with the State's ERP team to ensure a thoughtful and successful approach to utilize the full functionality of the state's ERP System.

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2024-016. **FINDING** (Inadequate Access Controls)

The Department of Children and Family Services (Department) had not implemented adequate procedures and processes related to its applications' access and controls.

The Department utilizes several applications to carry out its mission which includes the Department's accounting system (MARS) and Child and Youth Centered Information System (CYCIS), collectively referred as IMSA applications, and Statewide Automated Child Welfare Information System (SACWIS). During our testing of access controls to these applications, we noted:

- The Department's System Access Control Policy did not require reviews of access rights to applications;
- Periodic review of SACWIS user accounts was not conducted during the examination period, and we noted one terminated employee still has access to the system; and
- Thirty-five terminated employees still have access to IMSA applications.

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 *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology, Access Control section, requires entities to implement internal controls to ensure timely termination of access rights and review of users' access rights.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2020. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

Department management indicated weaknesses noted were due to oversight, lack of staffing, and the transition of all IT services to the Department of Innovation and Technology (DoIT).

The lack of adequate controls over access could result in unauthorized access and disclosure of confidential information. (Finding Code No. 2024-016, 2022-021, 2020-010)

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2024-016. **FINDING** (Inadequate Access Controls) - Continued

RECOMMENDATION

We recommend the Department perform the following:

- Update the System Access Control policy to include a requirement to review access rights;
- Ensure terminated users' access is timely terminated; and
- Conduct annual review of users' access to all of the Department's applications.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will work with DoIT@DCFS to review and update existing IT policies. Further, DoIT@DCFS will coordinate with the Department to establish a more automated process in responding to employee separations. Finally, the Department will continue to work with DoIT@DCFS to perform mainframe access reviews and expand reviews to other applications.

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2024-017. **FINDING** (Weaknesses in Cybersecurity Programs and Practices)

The Department of Children and Family Services (Department) had not implemented adequate practices and controls to protect confidential information.

It is the mission of the Department to protect the children of the State. As a result of their mission, the Department maintains large volumes of confidential information including abuse records, health information, Social Security numbers, bank account numbers, etc.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review 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 formal security policies and procedures to ensure its resources and data were adequately protected.
- Performed a comprehensive risk assessment to identify and classify data to ensure adequate protection of confidential or personal information most susceptible to attack.
- Developed policies and procedures for reviewing and monitoring security implementation and violations.
- Classified its data to ensure adequate protection.

Additionally, during our testing of Department employees' annual cybersecurity training, we noted the following:

- One hundred and seventy employees did not complete the annual cybersecurity awareness training during the calendar year 2022 training period. Additionally, 1,160 employees did not complete the annual cybersecurity during the calendar year 2023 training period.
- One hundred forty-six contractors did not complete the annual cybersecurity awareness training during calendar years 2022 and 2023 training periods.
- One hundred forty-seven employees did not timely complete the annual cybersecurity awareness training during calendar years 2022 and 2023 training periods. These employees completed the annual ethics training one to 555 days late.

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2024-017. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) - Continued

- Thirteen contractors did not timely complete the annual cybersecurity awareness training during calendar years 2022 and 2023 training periods. These contractors completed the annual ethics training two to 516 days late.

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 require entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints 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.

The Data Security on State Computers Act (20 ILCS 450/25(b)) requires every employee to undergo an annual training by the Department of Innovation and Technology concerning cybersecurity.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2020. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

Department management indicated the lack of resources resulted in the noted weaknesses due to resources being utilized for the development of IllinoisConnect.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities, which could ultimately lead to the Department's confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2024-017, 2022-023, 2020-029)

RECOMMENDATION

We recommend the Department:

- Develop adequate policies and procedures to ensure its resources are adequately protected;

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2024-017. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) - Continued

- Complete a comprehensive risk assessment of its computing resources to identify confidential and personal information to ensure such information is protected from unauthorized disclosure;
- Classify its data to identify and ensure adequate protection of information; and
- Ensure all employees and contractors complete the annual cybersecurity training.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will work with DoIT@DCFS to develop adequate IT policies and procedures. Further, DoIT@DCFS is conducting a risk assessment and completing data classification on behalf of the Department to be completed in first quarter of Fiscal Year 2026. Finally, the Department will work with DoIT@DCFS to address cybersecurity training needs and continue to send regular reminders to staff to complete the training in a timely manner.

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2024-018. **FINDING** (Inadequate Disaster Recovery Planning and Testing)

The Department of Children and Family Services' (Department) Disaster Recovery Plan (Plan) contained weaknesses and the Department had not conducted recovery testing.

The Department maintained several critical systems including, among others, Case Management System (CYCIS), Medicaid Billing System, and the Statewide Automated Child Welfare Information System (SACWIS).

During our testing, we noted that the Department's Plan for its SACWIS, revised in Fiscal Year 2020, does not adequately represent the current environment or address the Department's needs in the event of a disaster. Other critical applications lack an established Plan.

In addition, the Department did not perform a business impact analysis or conduct disaster recovery testing during the examination period.

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, Contingency Plan section, requires entities to have an updated and regularly tested 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.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2020. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

Department management indicated the lack of resources led to the weaknesses.

Without an adequately documented and tested contingency 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. 2024-018, 2022-024, 2020-030)

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2024-018. **FINDING** (Inadequate Disaster Recovery Planning and Testing) - Continued

RECOMMENDATION

We recommend the Department conduct a business impact analysis and create a plan to reflect the current environment. Once implemented, the Plan should be reviewed, updated, and tested at least annually.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will leverage DoIT to execute a new Business Impact Analysis. The report will then be appropriately reviewed, and action items generated and executed.

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2024-019. **FINDING** (Noncompliance with the Child Care Act of 1969)

The Department of Children and Family Services (Department) failed to comply with the Child Care Act of 1969 (Act) (225 ILCS 10).

We tested several sections of the Act and noted the following exceptions:

- The Act (225 ILCS 10/7.3(b) thru 225 ILCS 10/7.3(e)) requires a private child welfare agency that places youth-in-care in foster family homes, at least once every 30 days, to make a site visit to every such home where it has placed a youth-in-care. The purpose of the site visit is to verify that the child continues to reside in that home and to verify the child's safety and well-being. The private child welfare agency must document the verification in its records. The Department is required to periodically (but no less often than once every 6 months) review the child placement records of each private child welfare agency that places a youth-in-care. If a private child welfare agency fails to comply with the requirement, the Department must suspend all payments to the agency until the agency complies. In addition, the Act requires that if a child placed in a foster family home is missing, the foster parent must promptly report that fact to the Department or to the child welfare agency that placed the child in the home. If the foster parent fails to make such a report, the Department shall put the home on hold for the placement of other children and initiate corrective action that may include revocation of the foster parent's license to operate the foster family home. A foster parent who knowingly and willfully fails to report a missing foster child under the Act is guilty of a Class A misdemeanor. If a private child welfare agency determines that a youth-in-care whom it has placed in a foster family home no longer resides in that home, the agency must promptly report that fact to the Department. If the private child welfare agency fails to make such a report, the Department shall put the agency on hold for the placement of other children and initiate corrective action that may include revocation of the agency's license.

During our testing, we noted the Department has no procedures in place to perform the following:

- Suspend all payments to a private child welfare agency if it fails to at least once every 30 days make a site visit to every such home where it has placed a youth-in-care and/or fails to document the verification of the visit within its records.

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2024-019. **FINDING** (Noncompliance with the Child Care Act of 1969) - Continued

- Put on hold for placement of other children and initiate corrective action of the private child welfare agency's license if it fails to promptly report to the Department that a youth-in-care whom it has placed in foster family home no longer reside in that home.

Department management indicated the issues noted were caused by system barriers which posed challenges implementing the requirements as outlined in language of the statute.

Not having procedures in place to comply with the requirements of the Act creates an increased risk that the Department will make payments to ineligible private child welfare agency and hinders the Department's ability to assess the safety and welfare of its youth-in-care.

- The Act (225 ILCS 10/3.6) requires the Department to develop an appropriate licensing and monitoring system that recognizes the unique population and programming for youth served by the Comprehensive Community-Based Youth Services program and maintain licensing staff who are knowledgeable of Comprehensive Community-Based Youth Services program standards, as set forth by the Department of Human Services.

During our testing, we noted as of June 30, 2024, the Department has not developed the required licensing and monitoring system and maintained licensing staff knowledgeable of the Comprehensive Community-Based Youth Services program standards.

Department management indicated the delay in developing the licensing and monitoring system was due to the delay in adopting licensing and monitoring rules for host homes.

Delays in developing an appropriate licensing and monitoring system that recognizes the unique population and programming for youth and maintaining licensing staff represents noncompliance with the Act.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan. (Finding Code No. 2024-019, 2022-013, 2020-022, 2018-020)

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2024-019. **FINDING** (Noncompliance with the Child Care Act of 1969) - Continued

RECOMMENDATION

We recommend the Department: (1) adopt procedures to suspend all payments to a private child welfare agency if it fails to comply with the requirements of the Act and put on hold for placement of other children and initiate corrective action like revocation of the agency's license if it fails to promptly report to the Department that a youth-in-care whom it has placed in foster family home no longer reside in that home; and (2) develop an appropriate licensing and monitoring system that recognizes the unique population and programming for youth served by the Comprehensive Community-Based Youth Services program and maintain licensing staff knowledgeable of Comprehensive Community-Based Youth Services program standards.

DEPARTMENT RESPONSE

The Department accepts the recommendation:

- (1) The Department will review the statute for potential language modification.
- (2) Rule 413 Licensing Standards for Host Homes was published in the Illinois Register for First Notice on February 21, 2025. The 45-day comment period ended in April. The Department will evaluate the comments received via a working group and determine whether any necessary changes are required. If necessary, changes are made, the second notice documents will be filed with Joint Committee on Administrative Rules (JCAR) and JCAR will consider Rule 413 at its monthly meeting. Once JCAR approves, the adoption paperwork will be filed, and the rule will be filed for adoption with the Secretary of State. Once the rule appears in the Illinois Register for adoption, it is officially adopted.

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2024-020. **FINDING** (Noncompliance with Statutory Reporting)

The Department of Children and Family Services (Department) did not comply with reporting requirements mandated by the State Finance Act (Act) and Public Aid Code (Code).

During testing, we noted the following:

- The Department failed to timely submit its annual report of acts and doings to the Office of the Governor for Fiscal Years 2023 and 2024. The annual reports were filed with the Office of the Governor 590 and 225 days late, respectively.

The Act (30 ILCS 105/3(a)) requires the Department, no later than January 7 of each year, to make and deliver to the Governor an annual report of its acts and doings for the fiscal year ending in the calendar year immediately preceding the calendar year in which the regular session of the General Assembly convenes.

- The Department submitted the Fiscal Year 2023 Child Care Report to the General Assembly 5 days late.

The Code (305 ILCS 505/9A-11(b)) requires the Department, starting October 1, 2023, and every October 1 thereafter, to submit a report to the General Assembly on the number of children who received child care via vouchers paid for by the Department during the preceding fiscal year. The report shall include the ages of children who received child care, the type of child care they received, and the number of months they received child care.

Department management indicated the exceptions were due to oversight.

Failure to carry out these mandated duties is noncompliance with the Act and Code and lessens governmental oversight and accountability. (Finding Code 2024-020)

RECOMMENDATION

We recommend the Department strengthen controls to ensure timely submission of its annual report of its acts and doings, and Child Care Report to the Office of the Governor and General Assembly, respectively.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. Moving forward, both reports will be filed timely.

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2024-021. **FINDING** (Noncompliance with the Social Services Contract Notice Act)

The Illinois Department of Children and Family Services (Department) failed to comply with the Social Services Contract Notice Act (Act) (30 ILCS 596/20).

The Act specifies any contract between the Department and an authorized service provider for the provision of social services may be terminated, suspended or reduced by either party to the contract for any or no reason upon 30 days prior written notice to the party. A written notice issued by the Department is to include the date upon which the authorized service provider must submit its final invoice to the Department for payment of services rendered.

During our testing of 11 terminated, suspended, or reduced contracts, we noted the following:

- For one (9%) contract tested, the Department did not provide written notice to authorized service providers providing social services upon 30 days. The Department notification was sent 22 days prior to the contract's stated termination date.
- For three (27%) contracts tested, the Department's written notice did not include the date upon which the authorized service provider must submit its final invoice to the Department for payment of services rendered.

Department management stated the issues were due to staffing changes.

Failure to provide a timely written notice and not including the final invoice date in the written notice to authorized service provider providing social services could lead to improper payments to authorized service providers and it further impeded our ability to complete the auditing procedures which provides useful and relevant feedback to the General Assembly regarding the Department's compliance with the Act. (Finding Code No. 2024-021, 2022-014)

RECOMMENDATION

We recommend the Department ensure that the authorized service provider is provided 30 days written notice for any contract between the Department and an authorized service provider for the provision of social services terminated, suspended, or reduced by either party to the contract for any or no reason. In addition, we recommend the Department ensure the written notice includes the date upon which the authorized service provider must submit its final invoice to the Department for payment of services rendered.

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2024-021. **FINDING** (Noncompliance with the Social Services Contract Notice Act) -
Continued

DEPARTMENT RESPONSE

The Department agrees with the auditor's recommendation regarding compliance with the Social Services Contract Notice Act and commits to ensuring all written notices of non-renewal and termination are issued in accordance with statutory timelines. These notices will explicitly specify the deadline by which providers must submit final invoices for payment, typically requiring submission within the fiscal year during which services were delivered, ensuring timely financial reconciliation.

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2024-022. **FINDING** (Noncompliance with the Juvenile Court Act of 1987)

The Department of Children and Family Services (Department) did not comply with Juvenile Court Act of 1987 (705 ILCS 405).

During testing of the Act, we noted the following:

- The Act (705 ILCS 405/2-10.3) requires the Department and its agents and assigns not to interfere with the right of any youth in its custody or guardianship to communicate with the news media if the youth chooses to do so. It requires that anytime the news media requests to speak with a specific, identified minor under 18 years of age, the Department shall immediately provide notice of the news media's request to the minor's attorney and guardian ad litem. The Department is required to make a determination within one business day of the news media's request, whether the minor wants to speak with the news media, whether the minor has sufficient maturity to make the minor's own decision to communicate with the news media and whether contact with the news media will more likely than not cause the minor serious physical, emotional, or mental harm. The Department also has to provide notice of its determination to the minor's attorney and guardian ad litem within one business day of its determination.

During the examination period, the Department received only one news media request. During our testing, we noted the following:

- The Department did not provide notice of the news media's request to the minor's attorney and guardian ad litem.
- The Department did not timely make their determination. The determination was made three days from date of news media request.
- The Department did not provide notice of determination to the minor's attorney and guardian ad litem.
- The Act (705 ILCS 405/5-745) requires the Department, if appointed as legal custodian or guardian of a minor, to file updated case plans with the court every 6 months. Additionally, the Department Administrative Procedure #5 Child Welfare Case Recording Organization & Uniform Recording Requirements, Section 5.4 (Client Service Planning), states that the timeframe for completing the initial case plan is 45 calendar days from case opening.

During our testing of case plans for nine youths where the Department is the appointed legal custodian or guardian of a minor, we noted the following:

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2024-022. **FINDING** (Noncompliance with the Juvenile Court Act of 1987) - Continued

- For two (22%) youths tested, the initial case plans were not completed timely. The case plans were completed 4 and 129 days late.
- For four (44%) youths tested, the case plans were not updated timely. The case plans were updated 3 to 178 days late.
- For six (67%) youths tested, the case plans did not have documentation indicating the case plans were submitted to the court, therefore, we were unable to determine if the Department filed the initial and updated case plans to the court.

Department management stated the issues noted were due to oversight.

Failure to timely provide notice of the news media request and notice of determination to the minor's attorney and guardian ad litem and complete and file initial and updated case plans with the court represent noncompliance with the Act. Further, failure to comply with the Act does not achieve the legislative intent to provide the minor, at the earliest possible opportunity, the care, guidance, safety and moral, emotional, mental, and physical welfare at the best interests of the community. (Finding Code No. 2024-022)

RECOMMENDATION

We recommend the Department to timely provide notice of the news media request and notice of determination to the minor's attorney and guardian ad litem. We also recommend the Department to timely complete and file initial and updated case plans with the court to comply with the Act and Department procedures.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will provide notice of news media requests and notice of determination to the minor's attorney and guardian ad litem in accordance with the Act. The Department will ensure updated case plans are filed with the court timely.

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2024-023. **FINDING** (Noncompliance with the State Services Assurance Act for FY2008)

The Department of Children and Family Services (Department) did not increase and maintain the number of bilingual frontline staff as required by the State Services Assurance Act for FY2008 (Act) (5 ILCS 382/3-15).

At June 30, 2007, the Department had 154 bilingual frontline staff. Therefore, it is required by the Act to maintain a bilingual frontline staffing level of 194. As of July 1, 2024, the Department employed 160 bilingual frontline staff.

The Act required that on or before July 1, 2008 the Department shall increase and maintain the number of bilingual on-board frontline staff by 40 over the level that it maintained on June 30, 2007.

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

Department management stated, as they did during the prior examination, they continue to struggle to identify qualified applicants to meet the frontline staff bilingual recruitment requirement.

Failure to comply with this statute could lead to the Department not being able to provide adequate services to families for which English is not their first language. (Finding Code No. 2024-023, 2022-010, 2020-014, 2018-011, 2016-009, 2014-006, 12-16, 10-12)

RECOMMENDATION

We recommend the Department comply with the Act or, alternatively, if determined that the bilingual frontline staffing level required by the Act is not representative of its needs, seek a legislative remedy to the statutory requirement.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department has invested in robust efforts to recruit bilingual employees particularly within the last six-months, using a marketing/public relations company to help leverage their expertise in diversifying messaging and outreach through earned and paid media. Additionally, the Department will intensify its efforts to recruit bilingual employees through targeted hiring events, job fairs, and community and legislative outreach. There is also a 5% salary increase for bilingual positions. While the needs of the bilingual population continue to grow, at no time have the needs of the hotline or other Department services

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2024-023. **FINDING** (Noncompliance with the State Services Assurance Act for FY2008) -
Continued

been impaired. All bilingual families are being serviced and all bilingual calls are being answered immediately with no wait time. The Department also has a translation service available to bridge the gap, as needed, while it continues to recruit and retain highly qualified staff.

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2024-024. **FINDING** (Federal Reimbursements not Requested Timely)

The Department of Children and Family Services (Department) failed to timely request reimbursement of federally supported programs.

Of 26 grants supported by federal programs in Fiscal Year 2024, one (4%) had receivables at the end of the fiscal year that were 70% or greater than the year's total reimbursable costs. Listed below is a breakdown of prior year receivables, current year reimbursable costs, amount received in the current year, and end of the year receivables for that one grant (amounts in thousands):

Grant ID	Prior Year Receivable	Current Year Reimbursable Cost	Current Year Receipts	Current Year Receivable	Current Year Receivables as % of Current Year Reimbursable Costs
2305	\$ -	\$ 301	\$ -	\$ 301	100%

The Illinois State Collection Act of 1986 (30 ILCS 210/3) states that it is the responsibility of each State agency to timely collect amounts owed to that agency. Good cash management practices require that monies owed the State be requested in a timely manner.

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

The Department stated that this was an oversight by staff to make the drawdown more timely.

Delays in collecting monies owed to the Department deprive the State of available cash resources with which to administer operations and programs. (Finding Code No. 2024-024, 2022-017, 2020-018, 2018-016, 2016-011, 2014-012, 12-10)

RECOMMENDATION

We recommend the Department comply with the Illinois State Collection Act of 1986 by requesting earned federal reimbursements in a reasonable timeframe.

DEPARTMENT RESPONSE

The Department agrees with and has implemented the auditor's recommendation. The Department has demonstrated significant improvement on this finding from the prior audit in which the items cited went from 15 to 1 and the amount decreased from \$30,162,000 to \$301,000.

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2024-025. **FINDING** (Employee Performance Evaluations Not Performed)

The Department of Children and Family Services (Department) did not complete or conduct performance evaluations on a timely basis.

During our examination of 60 personnel files, we noted the following:

- The Department did not complete performance evaluations for 23 (38%) employees during Fiscal Year 2023 and 39 (65%) employees during Fiscal Year 2024.
- Nine (15%) employees' annual performance evaluations were not completed timely. The performance evaluations were performed 70 to 338 days late.
- The Department did not complete the probationary performance evaluations of 9 of 15 (60%) new hires during Fiscal Years 2023 and 2024.

The Illinois Administrative Code (Code) (80 Ill. Admin. Code 302.270) requires performance records to include an evaluation of employee performance prepared by each agency not less than annually. Additionally, the performance evaluations are to be completed one at the end of the third month of the probationary period and 15 days before the conclusion of the probationary period for employees serving a six-month probationary period and three and half months of the probationary period for employees serving a four-month probationary period.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2008. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

Department management indicated monthly notifications are provided to each respective supervisor and their chain of command with the notification of three timeframes for evaluations. The Department also stated not having salary increases tied to the completion of performance evaluations decreases supervisors' diligence in meeting these deadlines as they juggle the more pressing daily functions of their jobs.

Employee performance evaluations are an effective management tool for helping employees work toward common goals. Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations. (Finding Code No. 2024-025, 2022-025, 2020-015, 2018-012, 2016-010, 2014-015, 12-11, 10-11, 08-15)

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2024-025. **FINDING** (Employee Performance Evaluations Not Performed) - Continued

RECOMMENDATION

We recommend the Department enforce the existing policies regarding timely completion of performance evaluations.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department continues to send out monthly notifications to each respective supervisor and their chain of command with three timeframes (overdue, due, coming due). At the end of the fiscal year, management encourages managers to complete evaluations by sending an email for all overdue evaluations, promotions and discipline. The Office of Employee Services will continue to remind managers in meetings and ask the Office of Communications to post an announcement quarterly regarding completion of evaluations and the impact to the organization.

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2024-026. **FINDING** (Inadequate Controls Over Employee Training Programs)

The Department of Children and Family Services (Department) did not maintain internal controls to ensure employees completed the required training programs or to ensure they were completed in a timely manner.

During our testing of the Department's compliance with training requirements, we noted the following:

Ethics Training:

- One hundred and two employees did not complete the annual ethics training during calendar years 2022 and 2023 training periods.
- Forty-seven contractors did not complete the annual ethics training during calendar years 2022 and 2023 training periods.
- Ninety-two employees did not timely complete the annual ethics training during calendar years 2022 and 2023 training periods. These employees completed the annual ethics training one to 550 days late.
- Twelve contractors did not timely complete the annual ethics training during calendar years 2022 and 2023 training periods. These contractors completed the annual ethics training three to 184 days late.
- Thirty-three of 60 (55%) new hires tested did not complete the initial ethics training.
- Eleven of 60 (18%) new hires tested did not complete the initial ethics training within 30 days after commencement of employment. These employees completed the initial training from two to 135 days late.

The State Officials and Employees Ethics Act (5 ILCS 430/5-10(c)) requires new employees entering a position requiring ethics training to complete an initial ethics training course within 30 days after commencement of employment. The State Officials and Employees Ethics Act (5 ILCS 430/5-10(a)) requires each officer, member, and employee to complete an ethics training annually.

Sexual Harassment Prevention Training:

- Ninety-four employees did not complete the annual sexual harassment prevention training during calendar years 2022 and 2023 training periods.

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2024-026. **FINDING** (Inadequate Controls Over Employee Training Programs) - Continued

- Fifty-three contractors did not complete the annual sexual harassment prevention training during calendar years 2022 and 2023 training periods.
- Sixty-four employees did not timely complete the annual sexual harassment prevention training during calendar years 2022 and 2023 training periods. These employees completed the annual ethics training two to 500 days late.
- Ten contractors did not timely complete the annual sexual harassment prevention training during calendar years 2022 and 2023 training periods. These contractors completed the annual ethics training three to 156 days late.
- Thirty-three of 60 (55%) new hires tested did not complete the initial sexual harassment prevention training.
- Eleven of 60 (18%) new hires tested did not complete the initial sexual harassment prevention training within 30 days after commencement of employment. These employees completed the initial training from three to 421 days late.

The Illinois Human Rights Act (775 ILCS 5/2-105(B)(5)(c)) requires the Department to provide training on sexual harassment prevention and the Department's sexual harassment policy as a component of all ongoing or new employee training programs. Additionally, the State Officials and Employees Ethics Act (5 ILCS 430/5-10.5(a)) requires all new employees entering a position requiring sexual harassment training complete their initial training within 30 days after commencement of employment. It also requires each officer, member, and employee to complete, at least annually, a harassment and discrimination prevention training.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2020. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

Department management indicated some employees, despite notices and reminders, failed to perform the required ethics and sexual harassment prevention trainings.

Failure to complete or timely complete the ethics training may result in employees not being made aware of specific ethical requirements. Additionally, sexual harassment prevention training provides education to allow employer and employee to recognize sexual harassment and understand their rights and responsibilities. (Finding Code No. 2024-026, 2022-026, 2020-027)

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2024-026. **FINDING** (Inadequate Controls Over Employee Training Programs) - Continued

RECOMMENDATION

We recommend the Department establish and implement monitoring procedures to ensure each employee timely completes the annual trainings as required by various laws and regulations.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department shares the goal of achieving full compliance with ethics and sexual harassment prevention training requirements. The Department offers the following clarification and overview of improvements already in place to ensure adherence to both 30-day training requirement and annual training requirement:

1) Training Notification at Onboarding:

The Department provides clear notice of the ethics training requirement during the onboarding process. Notification is sent by the Office of Employee Services to all newly hired employees as part of a checklist entitled “Things to Know”. New employees are informed that they must complete ethics training within 30 days of their start date.

2) Annual Training Reminders:

A standing reminder is posted monthly on the Department’s internal website (D-NET) from January until July to alert employees and contractors of the requirement to complete both ethics and sexual harassment prevention training annually. The Office of Communications also sends a mass email to all employees on a monthly basis during this same time period.

Beginning in August, the Ethics Office begins sending individual reminders to employees and contract employees twice per month. Notifications progressively increase to weekly beginning in September and daily beginning October 1st. Supervisors are included in the daily email reminders.

3) Enhanced Tracking and Communication:

- Beginning in early 2025, the Ethics Office has implemented additional measures to improve compliance, including:
 - Requesting new hire reports twice monthly to identify and directly notify newly hired employees and their supervisors of requirement to complete ethics training within 30 days of start date.

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2024-026. **FINDING** (Inadequate Controls Over Employee Training Programs) - Continued

- Sending individual reminders to employees if their annual ethics and sexual harassment prevention training has not been completed prior to the Department's identified deadline of October 31. Such reminders are sent to the employee and the employee's supervisor, as outlined above.
- The Ethics Office works in coordination with the appropriate support teams to facilitate timely resolution of barriers to employees completing required ethics training, such as OneNet access, login credentials, etc.
- The Ethics Office also works in coordination with the Department's Associate Deputy Director of External Communication and Advisory Groups to send notification to board and advisory group members about the annual training requirement to complete ethics and sexual harassment prevention training.

4) Improved Compliance Outcomes:

The effects of the enhanced tracking and communication processes are reflected in the Department's 2024 data, which shows significant increased completion rates for annual ethics training. The only individuals not in compliance by year-end were employees on a leave of absence, employees who began employment fewer than 30 days prior to the end of the year, and a limited number of board and advisory group members.

5) Policy Codification:

The Department is currently in the process of updating Procedure 437 to formally codify the protocol described above, ensuring consistent application and long-term sustainability.

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2024-027. **FINDING** (Inadequate Internal Controls Over Employee Timesheets)

The Department of Children and Family Services (Department) did not maintain adequate controls over time reporting.

While performing tests of employee's time reporting, we selected a sample of 60 employees and noted the following:

- Seven of 60 (12%) timesheets were not approved by the employees' direct supervisors.
- Two of 60 (3%) timesheets were not timely approved by the employees' direct supervisors. Specifically, the timesheets were approved 234 and 235 days from the last date of the pay period.
- Four of 35 (11%) employees with benefit time usage were not approved by the employees' direct supervisors.
- Five of 60 (8%) timesheets could not be located by the Department. As a result, we could not perform testing.

In addition, during our testing of 60 employees with overtime hours, we noted the following:

- For two (3%) employees tested, four hours of overtime were not reported in the employees' timesheets.
- For three (5%) employees tested, five overtime request forms for 14.5 hours of overtime were not approved by the employees' direct supervisors.
- For three (5%) employees tested, seven overtime request forms for 28.25 hours of overtime did not indicate supervisors' approval date, therefore, we were unable to test whether the employees' overtime requests were approved timely.
- For five (8%) employees tested, 14 overtime request forms for 41.5 hours of overtime and 5 hours of compensatory time could not be located by the Department. Additionally, the Department was unable to provide the timesheets and approved overtime request forms for two of 60 (3%) employees tested, therefore, we were unable to test if the overtime requests were approved.

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2024-027. **FINDING** (Inadequate Internal Controls Over Employee Timesheets) - Continued

Further, during our test of employee's leave of absences, we noted leave of absences for two of 25 (8%) employees sampled were not properly approved by their direct supervisors. One Employee Request Form for Use of Benefit Time (CFS-728) was approved 323 days after start date of the leave of absence and the other CFS-728 was not approved.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Further, according to the Department Employee Handbook, Chapter 2, employees must submit an Employee Request Form for Use of Benefit Time (CFS-728) to correspond with the absence noted on the daily timesheet. Employees are also required to request the use of the benefit time on the CFS-728 and to submit it reasonably in advance of the date(s) to be used. Supervisors are required to approve the CFS-728. In addition, Chapter 2, Section 6, of the Department Employee Handbook states, in order to earn overtime, employees must submit a completed Overtime or Compensatory Time Request Form (CFS-734) to their supervisor and that overtime must be approved by the supervisor in advance before compensation will be authorized, except as otherwise provided in supplemental agreements.

Department management stated these exceptions were due to human error and the limitations of keeping a complete file record for the paper-based overtime approval and timesheet process.

Failure to obtain proper approval of overtime may cause an employee to be compensated for overtime hours that were not actually performed or warranted. In addition, failure to obtain and retain adequate documentation of timely supervisors' approval for timesheets and benefit time usage may lead to inaccuracies on employee's benefit time balances and reported compensated balance totals recorded in the Department's and the Statewide financial statements. Furthermore, failure to ensure all employees comply with time reporting requirements results in noncompliance with the Department's Employee Handbook. Finally, failure to retain timesheets and overtime request forms of all employees' hindered our ability to perform testing. (Finding Code No. 2024-027, 2022-027)

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2024-027. **FINDING** (Inadequate Internal Controls Over Employee Timesheets) - Continued

RECOMMENDATION

We recommend the Department strengthen its internal controls over timekeeping to ensure timesheets are completed, timely approved, and retained. We also recommend the Department ensure employees' overtime hours, benefit time usage, and leave of absences are properly approved.

DEPARTMENT RESPONSE

The Department agrees with and has partially implemented the auditor's recommendations. The Department has improved its communication with and the training of its timekeepers in order to ensure accurate and consistent timekeeping standards. The Department has also instituted new quality control procedures to identify and correct errors. Further, the Department has updated its overtime request form to require pre-approval of overtime worked. Coordination efforts have begun within the Department to ensure leaves are reviewed and approved. All timesheets are digitally archived to ensure proper record retention. The Department is also actively pursuing modernization efforts for both payroll and timekeeping, whether it is e-Time and CMS Payroll or the statewide ERP solutions.

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2024-028. **FINDING** (Inadequate Internal Controls Over State Vehicle Maintenance)

The Department of Children and Family Services (Department) did not maintain adequate internal controls to ensure its vehicles were properly maintained.

During our review of maintenance records for 26 vehicles, we noted the following:

- Twenty (77%) vehicles did not receive vehicle maintenance (oil change and tire rotation) on scheduled intervals. Department records showed the State vehicles were driven 2,396 to 21,123 miles more than allowed by the maintenance policy before the required oil change or tire rotation maintenance was performed.
- Three (12%) vehicles did not undergo an annual inspection in Fiscal Year 2023.
- Seven (27%) vehicles did not undergo an annual inspection in Fiscal Year 2024.

The Vehicle Guide of the Department of Central Management Services (CMS) requires oil changes every 3,000 miles or 12 months, whichever comes first for passenger vehicles 10 years or older; or every 5,000 miles or 12 months, whichever comes first for 9 years-old and newer passenger vehicles, as well as a tire rotation on all passenger vehicles in conjunction with every second oil change.

In addition, the Illinois Administrative Code (Code) (44 Ill. Admin. Code 5040.410(a)) requires the Department to have all of its vehicles undergo an annual inspection by CMS or an authorized vendor.

Department management stated due to retirements and lack of Business/Facility Managers in each region, some vehicles have not been maintained and serviced properly.

Failure to exercise adequate internal controls over vehicles maintenance could result in the State incurring unnecessary costs and additional repairs to, and shorten useful lives of, its vehicles. Further, it represents noncompliance with the Code and CMS Vehicle Usage Program. (Finding Code No. 2024-028, 2022-028)

RECOMMENDATION

We recommend the Department review and strengthen its internal controls over monitoring its fleet to ensure State vehicles receive timely and proper maintenance in accordance with State laws and regulations.

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2024-028. **FINDING** (Inadequate Internal Controls Over State Vehicle Maintenance) -
Continued

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will continue to hire individuals within the region's field offices with plans to also add a second Regional Facilities Manager in each region to better maintain/schedule the vehicle maintenance of pool vehicles, therefore strengthening the accountability of maintenance and vehicle records. Prior year's hirings did improve the maintaining of adequate vehicle maintenance requirements, however soon after these additional positions were filled, the fleet tripled. The Department has since acquired some headcount for the regions who manage vehicles at their headquarters, thus further assisting with upkeep of maintenance of vehicles.

Recently, the Department hired an Assistant Fleet Manager located in Springfield to work alongside the Statewide Vehicle Coordinator (VC) to actively monitor all vehicles' maintenance records and send out reminders to the on-site managers that maintenance is needed or assist with the scheduling of appointments for required maintenance when needed. This is one of the main responsibilities of this new position.

Finally, Central Management Services - Bureau of Fleet Operations will begin implementing the use of telematics data technology on all fleet vehicles which will include the Department. Telematics provides automated upload of odometer readings to the CMS Enterprise Asset Management (EAM), which will be configured to notify agencies of required preventative maintenance. In addition to odometer readings, the application will also provide utilization, idling and safety indicators.

**STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024**

2024-029. **FINDING** (Noncompliance with the Fiscal Control and Internal Auditing Act)

The Department of Children and Family Services (Department) failed to fully comply with the Fiscal Control and Internal Auditing Act (Act).

During our review of the Department's internal audit activities for Fiscal Years 2023 and 2024, we noted the following:

- Five of ten (50%) audits proposed to be performed in Fiscal Year 2023 were not completed. There were ten internal audit reports completed and issued during Fiscal Year 2024 and one in Fiscal Year 2023.
- The Department's major systems of internal accounting and administrative controls including testing of the obligation, expenditure, receipt and use of public funds of the State and of funds held in trust to determine whether those activities are in accordance with applicable laws and regulations were not completed during Fiscal Years 2023 and 2024. Specifically, the Office of Internal Audit did not audit four of the Department's 11 (36%) identified major systems of internal accounting and administrative controls within the two-year cycle.

The Act (30 ILCS 10/2003(a)) requires the internal auditing program to include: (1) a two-year plan, identifying audits scheduled for the pending fiscal year, approved by the chief executive officer before the beginning of the fiscal year; (2) audits of major systems of internal accounting and administrative control to be performed at least once every two years and must include testing of the obligation, expenditure, receipt and use of public funds of the State and of funds held in trust to determine whether those activities are in accordance with applicable laws and regulations; and grants received or made by the designated State agency to determine that grants are monitored, administered, and accounted for in accordance with applicable laws and regulations; and (3) reviews of the design of major new electronic data processing systems and major modifications of those systems before their installation to ensure the systems provide for adequate audit trails and accountability.

Department management stated that reassigned audit liaison responsibilities, special audit requests, and staffing issues made it impossible to fully comply with the Fiscal Control and Internal Auditing Act.

Failure to ensure planned internal audits are completed and the lack of timely internal audits over all major systems inhibits the Department's ability to monitor the effectiveness of its system of internal controls and results in noncompliance with the Act. (Finding Code No. 2024-029, 2022-030)

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-029. **FINDING** (Noncompliance with the Fiscal Control and Internal Auditing Act) -
Continued

RECOMMENDATION

We recommend the Department implement controls to ensure completion of planned audits that would include audits of major systems of internal accounting and administrative control at least once every two years.

DEPARTMENT RESPONSE

The Department partially accepts this recommendation. Controls are in place to ensure completion of planned audits that would include audits of major systems of internal accounting and administrative control at least once every two years. A two-year audit plan meeting the requirements of Fiscal Control and Internal Auditing Act (30 ILCS 10/2003(a)) is prepared annually and audits of major systems of internal accounting and administrative control are being completed. The Office of Internal Audit recently filled all its funded auditor positions and is on track to complete the required audits for the two years ending Fiscal Year 2026.

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-030. **FINDING** (Untimely Approval and Filing of Contracts and Interagency Agreements)

The Department of Children and Family Services (Department) did not have fully approved contracts prior to commencement of services and did not file the contracts with the Office of Comptroller timely.

During our review of 60 contracts (totaling \$70.8 million), including purchase of care contracts, executed during the two years ended June 30, 2024, we noted two contracts (3%), totaling \$1.1 million, were submitted 13 days late to the Office of Comptroller. In addition, the Department did not file Late Filing Affidavits.

In addition, during our review of 13 intergovernmental agreements (totaling \$1.8 million), we noted eight agreements (62%), totaling \$0.9 million, were executed subsequent to the start date of the agreement. The agreement execution dates ranged from 219 to 346 days after the commencement of service.

Lastly, during our review of five lease contracts (totaling \$2.1 million) executed during the two years ended June 30, 2024, we noted one lease contract (20%) amounting to \$0.6 million was submitted four days late to the Office of Comptroller. Further, the Department did not file a Late Filing Affidavit.

The Illinois Procurement Code (Code) (30 ILCS 500/20-80) states whenever a grant, or a contract liability, except for: (1) contracts paid from personal services, or (2) contracts between the State and its employees to defer compensation in accordance with Article 24 of the Code, exceeding \$20,000 is incurred by any State agency, a copy of the contract, purchase order, grant, or lease shall be filed with the Office of Comptroller within 30 calendar days thereafter. Contractors shall not be paid for any supplies that were received or services that were rendered before the contract was reduced to writing and signed by all necessary parties. Additionally, the Code requires a late filing affidavit signed by the chief executive officer of the agency or his or her designee be submitted, setting forth an explanation of why the contract liability was not filed within 30 calendar days of execution.

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 and effectively and obligations and costs are in compliance with applicable laws. Good internal controls require the approval of agreements prior to their effective dates.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2002. In the subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-030. **FINDING** (Untimely Approval and Filing of Contracts and Interagency Agreements) - Continued

Department management stated various factors, unique and systemic, resulted in the late filing of Department contracts during the course of the last two fiscal years. Department officials cited decrease and transition of experienced contract management/analysis workforce, established shortcomings of the existing information and data technology applications and programs, and increase in workload responsibilities were a few of the causes that resulted in the late execution of some Department contracts.

Failure to obtain approval before the beginning of the contract period does not bind the parties to comply with applicable laws, regulations, and rules and may result in improper and unauthorized payments. In addition, failure to file contracts on a timely basis and submit late filing affidavits with the Office of Comptroller resulted in noncompliance with State statutes and regulations. (Finding Code No. 2024-030, 2022-031, 2020-012, 2018-009, 2016-007, 2014-008, 12-9, 10-6, 08-6, 07-5, 06-5, 05-7, 04-7, 03-5, 02-7)

RECOMMENDATION

We recommend the Department ensure all contracts and agreements are approved and signed before the beginning of the contract or agreement period. We also recommend the Department strengthen controls to ensure contracts are filed timely with the Office of Comptroller, including ensuring Late Filing Affidavits are filed when necessary.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and has implemented multiple strategic initiatives to enhance contract processing efficiency and ensure timely submission to the Comptroller. The Office of Contract Administration has increased staffing levels to meet operational demands, while the Division has strategically converted the majority of its contracts to multi-year agreements, significantly reducing administrative burden and enabling more timely contract execution. Additionally, the Department continuously refines internal processing timelines each fiscal year to expedite workflows and intends to leverage the Comptroller's pre-filing mechanism to further streamline the approval process, collectively ensuring systematic improvement in contract management timeliness and compliance.

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-031. **FINDING** (Locally Held Funds Not Properly Invested or Used)

The Department of Children and Family Services' (Department) locally held funds 1207 (Herrick House) and 1117 (Katherine Schaffner Bequest) monies are not being used for a beneficial purpose for the Department.

The Herrick House Fund contained \$13,366 as of June 30, 2024. The fund was opened on March 25, 1983 with money received by the Department from the Circuit Court of the 9th Judicial Circuit, Orange County, Florida, in satisfaction of a last will and testament of an individual's estate. The money was to be used specifically for the Herrick House in Bartlett, Illinois, which no longer exists. During the examination period, Herrick House monies were maintained solely in a money market account. The monies are not being used or actively invested. For Fiscal Years 2023 and 2024, the account earned less than \$1 per month each year. There was no other activity in this account during Fiscal Years 2023 and 2024.

The Katherine Schaffner Bequest Fund (1117) contained \$1,105,221 as of June 30, 2024. During the examination period, the Katherine Schaffner Bequest monies were maintained in an Institutional Asset Management account. While the monies are being invested and earning a positive rate of return, the monies are not being used for any beneficial purpose for the Department. There was no activity in this account other than interest deposits during Fiscal Years 2023 and 2024. According to the Department, a bequest of \$91,000 from the Katherine F. Schaffner Trust was received by the Department in December 1980 to be used exclusively for the use and benefit of the Herrick House's Children's Center. Because Herrick House no longer exists, the money has been held in the accounts until dissolution is decided.

The Illinois Public Funds Investment Act (30 ILCS 235) requires that public funds be prudently invested. Good business practice necessitates the funds be used for beneficial purposes.

Department management stated both funds are restricted in their use due to specifications of donor requests. Department management stated the home these funds were entrusted to the Department to support have been closed and the Department was not given authority to use the funds in other capacities.

The current inactivity of the Herrick House Fund and the Katherine Schaffner Bequest Fund represents funds that potentially could be used for other Department purposes, should proper dissolution be decided. (Finding Code No. 2024-031, 2022-032)

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-031. **FINDING** (Locally Held Funds Not Properly Invested or Used) - Continued

RECOMMENDATION

We recommend the Department seek a legislative or legal remedy for the utilization of the monies maintained in the Herrick House Fund and Katherine Schaffner Bequest Fund.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. Additional documentation has been discovered since the prior audit and is under review by the Department's Office of Legal Services. The Illinois Attorney General has been contacted as the Department looks for legal remedies to dissolve both funds.

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-032. **FINDING** (Noncompliance with the Foster Children’s Bill of Rights Act)

The Department of Children and Family Services (Department) did not comply with the Foster Children’s Bill of Rights Act (Act) (20 ILCS 521/5).

The Act (20 ILCS 521/5(28)) states that each child or adult has the right to receive a copy of the Foster Children’s Bill of Rights Act and have it fully explained by the Department when they are placed in the care of the Department. The Department utilizes the Illinois Foster Child and Youth Bill of Rights form (CFS 496-1) to document the review of the Foster Children’s Bill of Rights Act with the youth in care. Additionally, Department Procedures (Department Procedures) 315 - Principles of Permanency Planning, Section 315.135 (Other Required Casework Activities), requires the permanency worker to provide a copy of the CFS 496-1 to the child within the first 30 days after the child’s initial placement. Department Procedures 315 also requires the child (when age appropriate), child’s parent/guardian, caseworker, and supervisor to sign the CFS 496-1 form. A signed copy of the CFS 496-1 should be placed in the child’s record.

During our testing of 40 youth in care files, we noted the following:

- For 27 (68%) youth in care files tested, the CFS 496-1 forms were not approved within 30 days from the child’s initial placement date. The approval ranged from 32 to 790 days from the child’s initial placement date.
- We were unable to determine whether the CFS 496-1 forms were reviewed due to the following issues noted:
 - For 10 (25%) youth in care files tested, the CFS 496-1 forms have missing required signatures.
 - For 5 (13%) youth in care files tested, the Department was unable to provide a copy of the CFS 496-1 form.
 - For one (3%) youth in care files tested, the CFS 496-1 form was not properly completed.

Department management stated the issues were due to caseworkers balancing multiple case priorities. Also, varying degrees of awareness impact timeliness and comprehensive reviews of the process.

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-032. **FINDING** (Noncompliance with the Foster Children's Bill of Rights Act) -
Continued

Failure to review the CFS 496-1 forms with all youth in care within the first 30 days of coming into care of the Department inhibits the youth in care from being aware of their rights as a child and youth in foster care and knowing where to seek help for addressing potential violations of those rights. (Finding Code No. 2024-032)

RECOMMENDATION

We recommend the Department ensure the Foster Children's Bill of Rights Act are timely and fully explained to all youth in care thru timely review, approval, and proper completion of CFS 496-1 form as required by the Act and Department Procedures.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will review the Illinois Foster Child and Youth Bill of Rights (CFS 496-1 Form) with each child and fully explain to youth in care as required by Department rule and procedure.

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-033. **FINDING** (Noncompliance with the Residential Services Construction Grant Program Act)

The Department of Children and Family Services (Department) did not ensure grantees comply with the Residential Services Construction Grant Program Act (Act).

During our testing, we noted two of four (50%) grant recipients tested, submitted their progress report to the Department 30 and 284 days late.

The Act (20 ILCS 530/25) requires the grant recipient to submit a progress report to the Department within 60 days after the first year of the grant. The Act further stated the Department may assist each grant recipient in meeting the goals and objectives stated in the original grant proposal submitted by the recipient, in ensuring that grant moneys are being used for appropriate purposes, and in ensuring that residents of the community are being served by the new residential services sites established with grant moneys.

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.

Department management stated the issue was due to inconsistencies between the contract and the statutory language of the program.

Failure to monitor the timely submission of grant recipients progress reports is noncompliance with the Act and decreases the Department's accountability over funds granted. (Finding Code No. 2024-033)

RECOMMENDATION

We recommend the Department strengthen its controls to ensure grant recipients timely submit the progress reports to the Department as required by the Act.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. Processes have been implemented to make sure reports are collected and reviewed in alignment with the statutory language and new grants will have reporting requirements consistent with the statutory language.

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-034. **FINDING** (Failure to File or Submit Accurate Agency Workforce Reports)

The Department of Children and Family Services (Department) submitted inaccurate Agency Workforce Reports (Report) to the Office of the Secretary of State's Index Department (SOS) and to the Office of the Governor. Further, we noted the Department failed to submit the Fiscal Years 2022 and 2023 Reports to the Office of the Governor.

During our review of the Department's Fiscal Year 2022 Report submitted to the SOS, we noted the following:

- The Report contained six percentages that were calculated inaccurately.
- The Report contained one instance where the total number of minorities and persons with physical disabilities employed within the agency workforce as professional employees was inaccurate.
- The Report contained six instances where the total number of open positions of employment or advancement in the agency workforce filled by minorities, women, and persons with physical disabilities were inaccurate.
- The Report's total number of open positions of employment in the agency workforce filled by agency employees was incorrectly calculated.
- The Department did not report the total number and percentage of persons employed within the agency workforce as contractual service employees by minorities, women, and persons with physical disabilities.
- The Department submitted the Report to SOS eight days late from the due date.

In addition, during our review of the Fiscal Year 2023 Report submitted to the SOS, we noted the following:

- The Report contained nine percentages that were calculated inaccurately.
- The Report contained two instances where the total number of open positions of advancement in the agency workforce filled by minorities and women were inaccurate.
- The Report's total number of open positions of advancement in the agency workforce filled by agency employees and the total number of agency employees in one minority group were incorrectly calculated.
- The Department did not report the total number and percentage of persons employed within the agency workforce as contractual service employees by minorities, women, and persons with physical disabilities.

Finally, we noted the Fiscal Years 2022 and 2023 Reports were not submitted to the Office of the Governor.

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-034. **FINDING** (Failure to File or Submit Accurate Agency Workforce Reports) - Continued

The State Employment Records Act (Act) (5 ILCS 410/1 *et seq.*) requires the Department to annually report to the SOS and the Office of the Governor the number of minorities, women, professional employees, and physically disabled persons along with related salary and statistical information to provide State officials and administrators with the information to help guide efforts to achieve a more diversified workforce. The report is to be filed by January 1 of each year.

Further, 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 properly accounted for to permit the preparation of reliable statistical reports. Effective internal controls should include procedures to ensure accurate reports are submitted to the Office of the Governor and the SOS.

Department management stated that the reports were not submitted, and information was inaccurately calculated, due to the error and oversights of a former employee, who is no longer with the Department.

The data contained in the Report is vital in determining if discrimination exists in the Department's hiring practices relating to minorities, women, and the physically disabled, and the accuracy of the report is important to monitor the State's efforts toward achieving a diversified workforce. Also, failure to file the Fiscal Years 2022 and 2023 Reports to the Office of the Governor results in noncompliance with the Act. (Finding Code No. 2024-034)

RECOMMENDATION

We recommend the Department implement controls over its Reports to ensure they are complete and accurate. We also recommend the Department annually file the Reports with both the Office of the Governor and the SOS. Further, we recommend the Department file corrected Fiscal Year 2022 and 2023 Reports with the Governor and the Secretary of State within 30 days after the release of this examination report.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department is working to onboard a new assistant Equal Employment Officer (EEO) who has the experience and skills to resolve these concerns. The EEO commits to provide additional support and supervision to the successor to resolve these matters. Once staffing has been addressed, the Department will work to file corrected reports.

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SCHEDULE OF FINDINGS - PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2024

A. **FINDING** (Financial Statement Preparation)

During the prior engagement, the Department of Children and Family Services' (Department) year-end financial statements in accordance with generally accepted accounting principles (GAAP) submitted to the Illinois Office of Comptroller contained errors.

During the current engagement, the auditor's scope did not include a financial audit. Therefore, this finding is not repeated. (Finding Code No. 2022-001, 2020-001)

B. **FINDING** (Failure to Maintain Proper Segregation of Duties Over Daycare)

During the prior engagement, the Department failed to maintain proper segregation of duties over access to the Department's daycare providers' licensing information, child care information and billing system.

During the current engagement, our sample testing disclosed no issues on users' access rights to the Department's daycare providers' licensing information, child care information and billing system. Additionally, our sample testing disclosed the Department completed monthly reviews of user accounts. (Finding Code No. 2022-003)

C. **FINDING** (Inadequate Internal Controls Over Census Data)

During the prior engagement, the Department failed to ensure the pension and other postemployment benefits (OPEB) plans' census data reconciliation was performed accurately.

During the current engagement, our sample testing indicated fewer and immaterial instances of inaccurate census data information submitted to the State Employees Retirement System of Illinois, therefore this finding was reported in the Department's *Report of Immaterial Findings*. (Finding Code No. 2022-029, 2020-003)

D. **FINDING** (Noncompliance with Accountability for the Investment of Public Funds Act)

During the prior engagement, the Department did not fully comply with the requirements of the Accountability for the Investment of Public Funds Act (Act) in its posting of information concerning monies held outside of the State Treasury.

During the current engagement, our sample testing indicated fewer instances and less severe cases of noncompliance, therefore this finding was reported in the Department's *Report of Immaterial Findings*. (Finding Code No. 2022-033)