



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS DEPARTMENT OF PUBLIC HEALTH

State Compliance Examination
 For the Two Years Ended June 30, 2023

Release Date: August 1, 2024

FINDINGS THIS AUDIT: 39				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Category 1:	1	5	6	2021	26, 27	20, 21, 22, 23, 24	
Category 2:	11	22	33	2019		19	
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>	2017	17	3, 11, 16, 18	
TOTAL	12	27	39	2015		10, 12, 13, 25	
				2013	4	2, 7, 14	
FINDINGS LAST AUDIT: 31				2011		6, 15	
				2007	1	5, 8	
				2003		9	

SYNOPSIS

- **(23-01)** The Illinois Department of Public Health (Department) did not exercise adequate internal controls over State vehicles.
- **(23-04)** The Department did not have adequate controls over contracts to ensure the contracts contained the necessary provisions, were properly approved, and accurately reported.
- **(23-05)** The Department did not adequately administer and monitor its awards and grants programs.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER THE
ADMINISTRATION OF STATE VEHICLES**

The Illinois Department of Public Health (Department) did not exercise adequate internal controls over State vehicles.

The Department's fleet consisted of 109 vehicles at June 30, 2022 and 98 at June 30, 2023. Of those vehicles, 36 were personally assigned to employees during Fiscal Year 2022 and 41 in Fiscal Year 2023.

During testing, we noted the following:

No mileage logs for three vehicles tested

- The Department was not able to provide the vehicle mileage log reports for three of 98 (3%) vehicles tested, as such, we were not able to determine whether these vehicles were efficiently utilized for the specific operational needs of the Department, properly maintained, and the mileage properly reported.

Vehicles were not properly maintained

- The Department did not ensure its vehicles were properly maintained during the engagement period. The auditors reviewed the maintenance records for 22 vehicles and noted the following:

Vehicles did not receive oil changes

- Nine (41%) vehicles tested received oil changes 128 to 4,679 miles past the allowed oil change interval. Additionally, two (9%) vehicles tested did not receive an oil change during the engagement period.

Vehicles did not receive tire rotations

- Four (18%) vehicles tested did not receive a tire rotation, as required. Additionally one (5%) vehicle had a tire rotation past the allowed interval and another vehicle (5%) had inadequate documentation, therefore, we were not able to determine whether this vehicle had a tire rotation within the allowed interval.

Vehicles did not undergo annual inspections

- Four (18%) vehicles tested did not undergo an annual inspection during the engagement period.

Vehicle location, disposal, and transfer not properly documented

- One (5%) vehicle was not found on the location indicated in the Department's property listing during the physical inspection of vehicles. In addition, the Department was not able to provide sufficient supporting documentation on the disposal and transfer of two (9%) vehicles.

Vehicle maintenance records not provided

- The Department was not able to provide the maintenance records for three (14%) vehicles tested, as such, we were not able to determine whether these vehicles were properly maintained.

Vehicle logs and forms were not reviewed for fringe benefit determination

- The Department did not exercise adequate control over the personal use of state vehicles. We noted the following:

- Seventy-two (100%) monthly vehicle logs and vehicles use certification forms tested were not reviewed and reconciled for the determination of the fringe benefit value submitted for tax purposes. The Department only used the commuting days reflected in the certification forms to report fringe benefits. In addition, five of 72 (7%) monthly vehicle logs and vehicle use certification forms tested differed as to the number of commuting days the State vehicle was used, resulting in the overstatement of reported fringe benefit payments for tax purposes totaling \$45 in Fiscal Year 2022 and understatement of \$15 in Fiscal Year 2023.

Reported fringe benefits were over and understated

- Thirty-seven of 72 (51%) vehicle use forms tested were not submitted to the Payroll Division on the 10th of the month following the usage. The vehicle use certification forms were submitted from four to 300 days late. Additionally, 13 of 72 (18%) vehicle use certification forms tested were not stamped with a receipt date, therefore, timeliness of submission of the forms cannot be determined. Further, one of 72 (1%) vehicle use certification forms tested was not submitted to the Payroll Division.

Vehicle use certification forms were submitted late

- Two of 72 (3%) vehicle use certification forms tested did not agree with the payroll voucher, resulting in an understatement totaling \$39 in Fiscal Year 2022.

Vehicle use certification forms did not agree with the payroll voucher

- The Department was not able to provide 17 of 72 (24%) monthly vehicle logs tested, as such, we were not able to determine whether the number of commuting days and fringe benefit payments were properly reported.

Vehicle monthly logs not provided

- The Department did not exercise adequate control over the required annual certifications of licensure and

automobile liability coverage form (certification form). We noted the following:

Certification forms for five employees tested were not submitted

- Five of 34 (15%) employees tested did not submit the certification forms during the engagement period.
- One of 34 (3%) employees tested submitted the certification form 124 days late.

Vehicle assignments not properly report to DCMS

- The Department did not timely and properly report vehicle assignments to DCMS. We noted the following:
 - The Department submitted the Fiscal Year 2022 Individually Assigned Vehicle (IAV) Report five days late.
 - The Department was not able to provide three of five (60%) vehicle assignment authorization forms tested.
 - One of 34 (3%) employees tested submitted the vehicle assignment authorization form 124 days late. (Finding 1, pages 15-19) **This finding has been reported since 2007.**

We recommended the Department strengthen its controls over its State vehicles. Specifically, we recommended the Department:

- Ensure vehicle mileage log reports are maintained to monitor utilization and maintenance of the State vehicle.
- Enforce vehicle maintenance schedules to ensure vehicle safety, to reduce future year expenditures for repairs, and to extend the useful lives of vehicles.
- Enforce controls to ensure proper reporting of fringe benefits and documentation related to the personal use of State vehicles.
- Review and enforce procedures over the timely filing of the required annual certification of license and liability insurance.
- Remind staff of reporting requirements and develop a monitoring process to ensure all employee vehicle assignment changes, as well as the required annual report on Individually Assigned Vehicles, are properly completed and submitted to DCMS by the established due date.

Department agreed

The Department agreed with the finding and recommendation and stated the Department will ensure controls and processes are strengthened to comply with the finding.

LACK OF CONTROL OVER CONTRACTS

The Illinois Department of Public Health (Department) did not have adequate controls over contracts to ensure the contracts contained the necessary provisions, were properly approved, and accurately reported.

As part of our testing, we requested the Department to provide a population of contractual agreements, emergency purchases, and interagency agreements. In response to our request, the Department provided populations for emergency purchases and interagency agreements but was not able to provide a listing of all the contractual agreements which the Department had entered into during the examination period. Additionally, the emergency purchases listing provided by the Department did not agree with the emergency purchases reported to the Office of the Auditor General and there were interagency agreements not reported in the Agency Contract Report (SC-14). Due to these conditions, 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).

We were unable to conclude the Department's population records were sufficiently precise and detailed

During testing, we noted the following:

Interagency agreements were executed subsequent to the performance of services

- Six of 14 (43%) interagency agreements tested, totaling \$5,706,197, were executed subsequent to the performance of services. The agreement execution dates ranged from seven to 385 days late. Additionally, the Department was not able to provide the executed agreements for two of 14 (14%) interagency agreements tested. Therefore, we are unable to test those agreements.
- For two of eight (25%) emergency purchase contracts tested, totaling \$608,380, the Department published the total actual cost of each emergency purchase in the Illinois Procurement Bulletin 40 and 390 days late. In addition, one of eight (13%) emergency purchase contracts tested, totaling \$360,101, ended on June 30, 2022 but the Department had not published the actual cost as of auditors' fieldwork.
- The Department was not able to provide the supporting documentation that they submitted to the Procurement Policy Board and the Commission on Equity and Inclusion for the following:
 - Notice of award for seven of eight (88%) emergency purchase contracts testing, totaling \$10,765,277, and

Actual cost of emergency purchase contracts published in the Illinois Procurement Bulletin 40 to 390 days late

Contractual agreements filed with the Comptroller more than 30 days after their execution

Contractual agreements did not have subcontract disclosure and utilization statements

CODs were not properly completed

- Notice of intent to extend an emergency contract for five of eight (63%) emergency purchase contracts tested, totaling \$10,351,570.
- Three of 60 (5%) contractual agreements tested, totaling \$5,541,576, were filed with the Comptroller more than 30 days after their execution and were not accompanied by a Late Filing Affidavit.
- Five of 60 (8%) contractual agreements tested, totaling \$1,153,964, did not have the required subcontractor disclosure and utilization statements. In addition, one of 60 (2%) contractual agreements tested, totaling \$471,550, did not have the Conflict of Interest Certification, and one (2%) contract, totaling \$43,864, did not have the Certification of Registration with the State Board of Elections.
- For 26 of 60 (43%) contracts tested, the Contract Obligation Documents (CODs) were not properly completed. We noted the following:
 - Twenty CODs totaling \$12,284,856, included incorrect Illinois Procurement Bulletin/Bidbuy publication dates. Three of these CODs had an incorrect procurement reference number, one COD had an incorrect award code, and one COD had an incorrect appropriation code.
 - Two CODs totaling \$1,555,550, had contract beginning and ending dates different from the dates reported in the SC-14 Report.
 - Four CODs did not state the correct annual contract amounts. The total annual amounts entered in the COD was \$2,422,573, however, the total annual amounts reported in the SC-14 Report was \$7,890,634. One of these CODs also incorrectly entered an obligation amount totaling \$1,751,603, instead of the obligation amount totaling \$6,314,022 in the SC-14 Report. Additionally, two of these CODs also did not state the correct maximum contract amounts. The maximum contract amounts entered in the CODs totaled \$4,025,265, however, the total maximum contract amounts reported in the SC-14 Report was \$9,525,184.
 - One COD totaling \$72,649 had an incorrect obligation number.

Implementation of GASB Statement No. 87 – Leases not adequate

- One COD stated that subcontractors will not be utilized, however, the executed contract indicated utilization of subcontractors.
- The Department’s process in implementing GASB Statement No. 87 – *Leases* (GASB 87), was not adequate. The following issues were noted:
 - For two of five (40%) GASB 87 lease contracts tested, totaling \$1,251,212, the forms SCO-560 were filed with the Office of Comptroller 77 and 347 days late.
 - For three of five (60%) GASB 87 leases contracts tested, totaling \$2,851,771, the forms SCO-560 were not filed with the Office of Comptroller, therefore, the Department did not record the corresponding right of use asset, lease liability, and lease payments.
 - The Department did not record the right of use asset, lease liability, and lease payments for one of two (50%) forms SCO-560 the Department submitted to the Comptroller’s Office, resulting in the understatement of the following accounts:
 - Right of Use Asset amounting to \$1,168,683;
 - Lease Liability amounting to \$1,168,683;
 - Lease Payments amounting to \$774,306. (Finding 4, pages 26-31)**This finding has been reported since 2013.**

We recommended the Department strengthen and monitor controls to ensure:

- all required contract information is complete and accurate,
- accurate and complete listings of contractual agreements, emergency purchases, and interagency agreements are maintained,
- proper implementation of the requirements of GASB Statement No. 87, and
- compliance with the requirements of the Procurement Code and State laws.

Department agreed

The Department agreed with the finding and recommendation and stated the process of contract monitoring is being evaluated and will be strengthened to the standards recommended by the Auditors.

INADEQUATE ADMINISTRATION AND MONITORING OF AWARDS AND GRANTS PROGRAMS

The Illinois Department of Public Health (Department) did not adequately administer and monitor its awards and grants programs.

During Fiscal Years 2022 and 2023, the Department expended over \$701 million (44%) for awards and grants of its approximately \$1.7 billion total expenditures. We sampled 58 grant programs from the following offices: Health Promotion; Health Protection; Disease Control; Women’s Health; Preparedness and Response; and Center for Minority Health Services. For the 58 grant programs selected for testing, we examined 60 grant agreements totaling \$55,095,365.

Quarterly/monthly program reports submitted to the Department late

- For 47 of 60 (78%) grant agreements testing, 426 quarterly/monthly program reports were submitted to the Department from 1 to 305 days after the deadline.

Quarterly/monthly program reports not reviewed timely

- For 25 of 50 (42%) grant agreements testing, 58 quarterly/monthly program reports were not reviewed timely. The reviews were made from 1 to 280 days after receipt.

Quarterly/monthly program reports did not have evidence of review

- For 14 of 60 (23%) grant agreements tested, 26 quarterly/monthly program reports did not have evidence of review by Department personnel.

Quarterly/monthly program reports were not submitted to the Department

- For 13 of 60 (22%) grant agreements tested, 65 quarterly/monthly program reports were not submitted to the Department by the grantee. (Finding 5, pages 32-33) **This finding has been reported since 2007.**

We recommended the Department strengthen its controls to ensure documentation and timely review of grantee’s required quarterly and monthly reports are maintained. In addition, we recommended the Department ensure that grantees timely submit the progress reports and other required reports to comply with the provisions of the grant agreements.

Department agreed

The Department agreed with the finding and recommendation stated it will work with the Office of Fiscal Administration, the Office of Performance Management, Internal Audit, and the Division of Legal Services to develop clear and consistent standards on grant management across the agency, including a review of associated best practices and system improvements.

OTHER FINDINGS

The remaining findings are reportedly being given attention by the Department. We will review the Department's progress towards the implementation of our recommendations in our next State compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the Department for the two years ended June 30, 2023, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2023-001, 2023-004, 2023-017, 2023-026, 2023-027, and 2023-030. Except for the noncompliance described in these findings, the accountants stated the Department complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Roth and Company LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

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

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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