2014

Annual Report

STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL

William G. Holland, Auditor General

SPRINGFIELD OFFICE:
ILES PARK PLAZA
740 EAST ASH • 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222 • TTY: 888-261-2887

CHICAGO OFFICE:
MICHAEL A. BILANDIC BLDG. • SUITE S-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

March 1, 2015

Honorable Members of the General Assembly
The Legislative Audit Commission
The Honorable Bruce Rauner, Governor
Citizens of Illinois

Ladies and Gentlemen:

Enclosed is the Annual Report of the Auditor General's Office for the year ended December 31, 2014, submitted in compliance with Section 3-15 of the Illinois State Auditing Act.

Since assuming this position in 1992, my consistent commitment has been to present objective, balanced and independent audits. I believe this annual report reflects the success of my office in meeting that goal during 2014. It will continue to be my goal during the coming year.

I thank all those who made possible the reported accomplishments, including members of the General Assembly, members and staff of the Legislative Audit Commission, and the staff of the Auditor General's Office.

Yours truly,

WILLIAM G. HOLLAND
Auditor General

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Overview

Since August 1992, William G. Holland has served as Auditor General of the State of Illinois. He was appointed by the General Assembly to a ten-year term effective August 1, 1992, and has been unanimously reappointed twice since, with the latest term effective August 1, 2012.

As a constitutional officer, the Auditor General audits public funds of the State and reports findings and recommendations to the General Assembly and to the Governor. The establishment of the Auditor General under the Legislature is important. It ensures that the Legislature, which grants funds and sets program goals, will ultimately review program expenditures and results. Thus, agencies are accountable to the people through their elected representatives.

The Auditor General's Office performs several types of audits to review State agencies. Financial audits and Compliance examinations are mandated by law. They disclose the obligation, expenditure, receipt, and use of public funds. They also provide agencies with specific recommendations to help ensure compliance with State and federal statutes, rules and regulations.

Performance audits are conducted at the request of legislators to assist them in overseeing government. Programs, functions, and activities are reviewed according to the direction of the audit resolution or law directing the audit. The General Assembly may then use the audit recommendations to develop legislation for the improvement of government.

Information Systems audits are performed on the State's computer networks. They determine whether appropriate controls and recovery procedures exist to manage and protect the State's financial and confidential information.

Copies of all audits are made available to members of the Legislature, the Governor, the media, and the public. Findings include areas such as accounts receivable, computer security, contracts, expenditure control, leases, misappropriation of funds, personnel and payroll, property control, purchasing, reimbursements, telecommunications, and travel.

Audit reports are reviewed by the Legislative Audit Commission in a public hearing attended by agency officials. Testimony is taken from the agency regarding the audit findings and the plans the agency has for corrective action. In some cases, the Commission may decide to sponsor legislation to correct troublesome fiscal problems brought to light by an audit. All outstanding recommendations are reviewed during the next regularly scheduled audit of an agency or, if the Commission requests, a special interim audit may be conducted. ❖

OVERVIEW

Public Information

An audit and its supporting workpapers, unless confidential by, or pursuant to, law or regulation, are public documents once the report has been officially released to the Legislature, the public, and the press. These documents are available for review in our Springfield and Chicago offices.

The following information is also available by request:

- Late Filing Affidavits
- Emergency Purchase Affidavits
- Contractual Services Certifications

Information about the Auditor General is available on the Internet. This information includes report summaries and full report texts.

Public information is available by writing:

FOIA Officer
Office of the Auditor General
Iles Park Plaza
740 E. Ash St.
Springfield, IL 62703-3154

Our internet web site address is:
www.auditor.illinois.gov

Our e-mail address is:
oag.auditor@illinois.gov

Springfield .... **Telephone: (217) 782-6046**
Fax: (217) 785-8222

Chicago .... **Telephone: (312) 814-4000**
Fax: (312) 814-4006

TTY: (888) 261-2887

Our Fraud Hotline is:

Toll-Free: **(855) 217-1895**

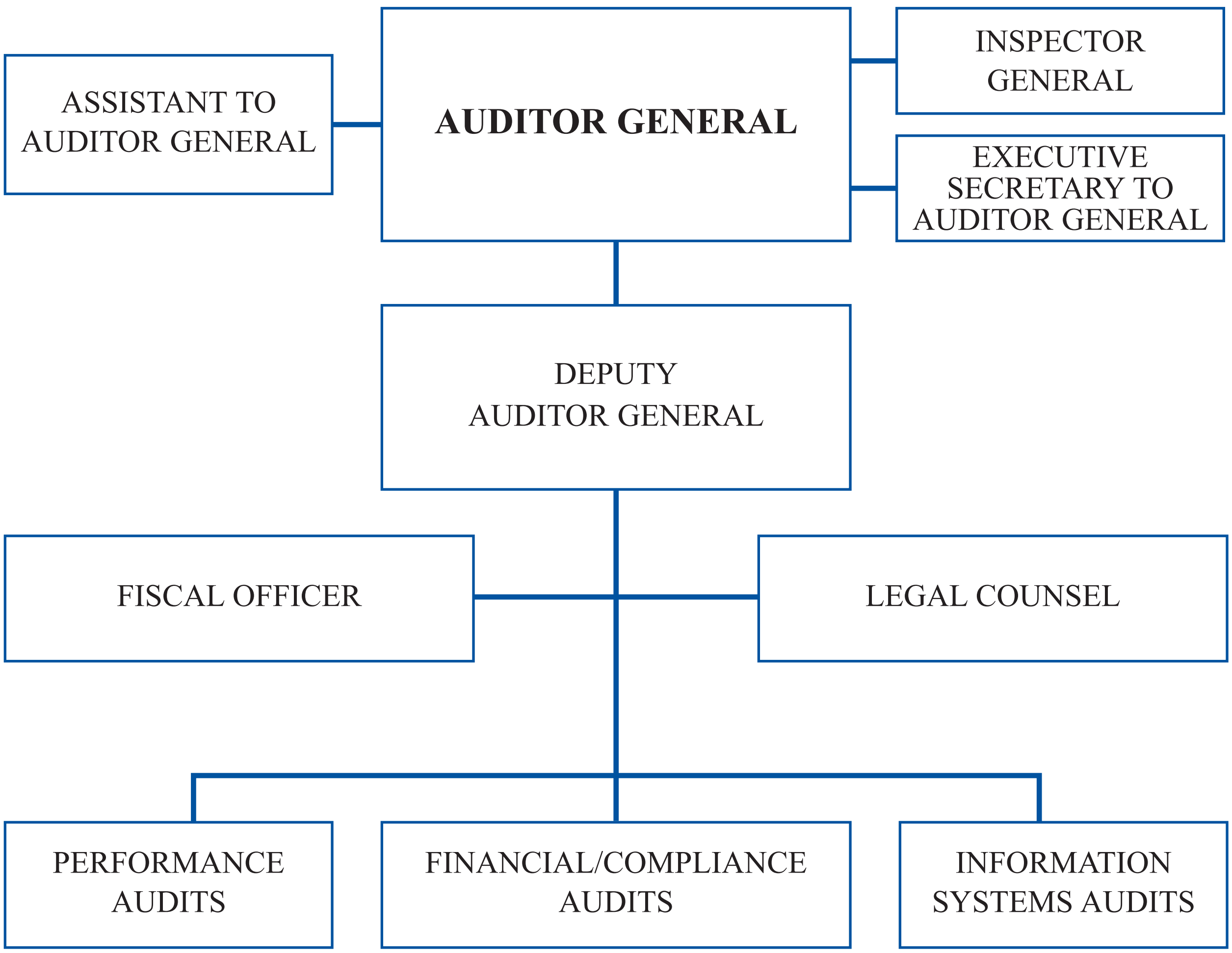
Visit our web site at www.auditor.illinois.gov for full details or for an on-line reporting form.

TTY: (888) 261-2887

PUBLIC INFO.

Organizational Chart

As of December 31, 2014, there were 87 employees. Seventy-six were located in the Springfield Office and eleven in the Chicago Office. ❖



ORGANIZATION

The Compliance Examination Program

The Auditor General is required by the Illinois State Auditing Act to conduct, as is appropriate to the agency's operations, a financial audit and/or compliance examination of every State agency at least once every two years. These audits and examinations inform the public, the Legislature, and State officers about the obligation, expenditure, receipt, and use of public funds, and provide State agencies with specific recommendations to help ensure compliance with State and federal statutes, rules, and regulations.

For the FY 2013 audit cycle, the Compliance Audit Division conducted 100 engagements. These encompassed compliance examinations, financial audits, and federal audits. Staff auditors conducted 28 of these audits and two were joint staff and contract engagements. The remainder were performed by public accounting firms under the general direction and management of the Auditor General's audit managers.

The Illinois Constitution of 1970 revised and expanded the traditional financial audits conducted of State agencies to focus on compliance with legislative intent and proper performance of governmental operations, as well as financial accountability.

The compliance program has a positive impact on the operations of State government because agencies implement many of the recommendations made in these reports. Compliance reports are also reviewed by the Legislative Audit Commission, where legislators question agency directors about audit findings and the corrective action they plan to take. Legislators and their staffs also use compliance reports during appropriation hearings in the spring legislative session. To maximize the usefulness of audit information, the Office attempts to deliver audits as early as possible in the legislative session. ❖

COMPLIANCE

ACCOUNTABILITY

A number of reports issued for FY 2013 had findings that were critically important from an accountability standpoint. A brief summary of some of these findings follows:

INADEQUATE FINANCIAL REPORTING PROCESS

The State of Illinois' current financial reporting process does not allow the State to prepare a complete and accurate Comprehensive Annual Financial Report (CAFR) or the Schedule of Expenditures of Federal Awards (SEFA) in a timely manner. Reporting issues at various individual agencies caused delays in finalizing the financial statements. The lack of timely financial reporting limits effective oversight of State finances, may adversely affect the State's bond rating, and may jeopardize federal funding.

Accurate and timely financial reporting problems continue to exist even though the auditors have: 1) continuously reported numerous findings on the internal controls (material weaknesses and significant deficiencies), 2) commented on the inadequacy of the financial reporting process of the State, and 3) regularly proposed adjustments to financial statements year after year. These findings have been directed primarily towards major State agencies under the organizational structure of the Office of the Governor and towards the Office of the State Comptroller.

The Office of the State Comptroller has made significant changes to the system used to compile financial information; however, the State has not solved all the problems to effectively remediate these financial reporting weaknesses. The process is overly dependent on the post audit program being a part of the internal control for financial reporting even though the Illinois Office of the Auditor General has repeatedly informed State agency officials that the post audit function is not and should not be an internal control mechanism for any operational activity related to financial reporting.

Even though problems still exist in regard to the State's ability to provide accurate and timely external financial reporting, we do acknowledge that the number of deficiencies reported by the auditors in relation to the CAFR and SEFA has decreased and the timeliness has improved. We also acknowledge that there have been two Public Acts that have positively affected the financial reporting process. Public Act 97-408, which became effective August 16, 2011, established a statutory deadline of October 31 of each year for State agencies to report financial information for the previous June 30 to the State Comptroller. If a State agency has not submitted the required financial information by October 31, the State Comptroller must serve a written notice to the appropriate agency head about the delinquency or inadequacy of the financial information. Under certain circumstances, agency heads are required to provide an action plan to bring the agency into compliance and the State Comptroller is required to post the action plan on the Comptroller's website. We noted that only one agency under the Governor was delinquent in their financial reporting to the Office of the State Comptroller. Public Act 97-1055, which became effective August 23, 2012, established the Financial Reporting Standards Board (Board). The purpose of the Board is to "assist the State in improving the timeliness, quality, and processing of financial reporting for the State." The Board first met on September 25, 2013 and has had an additional four meetings.

We recommended the Office of the Governor and the Office of the State Comptroller continue to work together to resolve the State's inability to produce timely and accurate Generally Accepted Accounting Principles (GAAP) basis financial information and a Statewide SEFA.

The Governor's Office agreed with our recommendation and stated that the Governor's Office and the Governor's Office of Management and Budget (GOMB) are and will continue to work cooperatively with the Office of the State Comptroller to address these challenges with effective solutions. Further, the Governor's Office stated that a Request for Proposals for an enterprise resources planning project management office consultant was issued in October 2013 and a contract award pursuant to this

Accountability (cont.)

solicitation is expected to be made in March 2014. This consultant will develop the necessary Statewide requirements for one or more RFPs for software and implementation services to address the State's need. The response provided further details of the plans to address the issues.

The Comptroller's Office agreed with our recommendation and stated that the Office will continue to assist the Governor's Office in their efforts to increase the quality of GAAP packages and provide enhanced training and technical assistance to State agencies. In addition, the Office will work with the Governor's Office in their efforts to develop a Statewide financial accounting system. Further, the Office will continue to work with the newly created Financial Reporting Standards Board in their mission to improve the timeliness, quality and processing of financial reporting for the State.

WEAKNESSES IN PREPARATION OF ACCOUNTING REPORTS AND FINANCIAL STATEMENTS

During the audit of the June 30, 2013, Illinois Department of Human Services (Department) financial statements, several exceptions were noted. Some of the conditions identified follow:

- Accounting reports (GAAP reporting packages and Forms) prepared for the Office of the State Comptroller (Comptroller) were incomplete, contained numerous inaccuracies and required corrections. One was submitted 24 days late, 2 were submitted 14 days late, 10 were submitted 4 to 6 days late, and 8 were submitted 1 day late. Significant adjustments were made after the original submission.
- The Department overstated current year expenditures for the Temporary Assistance for Needy Families (TANF) by $68.8 million on the original SCO-563 Form submitted to the Comptroller, which required significant adjustments to receivables and unavailable revenue in the General Revenue Fund.
- The Department failed to calculate and record a liability for prompt payment interest on payments to vendors for developmental disability services covering fiscal years 2010 through 2013.
- The Comptroller instructed the Department on August 23, 2013 to record the unpaid fiscal year 2012 back wages of $28.02 million as a liability in the General Revenue Fund GAAP reporting package. However, the Department failed to include this liability when they submitted the GAAP reporting package on September 30, 2013 and the adjustment was ultimately recorded by the Comptroller on October 23, 2013.
- Auditors noted another State agency recalculated program expenditures for the Home and Community-Based Waiver program. As a result, the Comptroller adjusted federal operating grant revenue by $36.46 million for the Community Development Disability Services Medicaid Trust Fund and $11.29 million for the Health and Human Services Medicaid Trust Fund approximately one month after the Department initially submitted the GAAP reporting packages for those funds.
- The Department overstated operating transfers out from the General Revenue Fund to the DHS Public Assistance Recoveries Trust Fund by $11.7 million.
- The Department overstated current year expenditures for the Child Care and Development Block Grant program by $8.12 million in the DHS Special Purposes Trust Fund.

Department officials stated the errors contained in the GAAP reporting packages were primarily due to a lack of a sufficient number of qualified staff and corresponding titles, education, and experience to prepare GAAP reporting packages and financial statements in accordance with GAAP. The lack of a complete general ledger and grants management system also contributed to the errors.

Because of the significance of the weaknesses in preparation of GAAP reporting forms submitted to the Illinois Office of the Comptroller and preparation of year-end Department financial statements, this is considered a material weakness in the Department's internal control. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

We recommended the Department implement procedures and cross-training measures to ensure GAAP Reporting Packages are prepared in a timely, accurate and complete manner.

Department officials agreed with the recommendation and stated they will implement procedures and cross-training measures to ensure GAAP Reporting Packages are prepared in a timely, accurate and complete manner.

INADEQUATE ADMINISTRATION OF CLOSING MENTAL HEALTH CENTERS AND DEVELOPMENTAL CENTERS

The Department of Human Services (Department) did not exercise adequate internal control while closing Mental Health Centers and Developmental Centers during the examination period.

During fiscal years 2012 and 2013, the Department closed the following facilities:

- Tinley Park Mental Health Center (Tinley Park) – June 30, 2012
- H. Douglas Singer Mental Health and Developmental Center (Singer) – October 31, 2012
- Jacksonville Developmental Center (Jacksonville) – November 27, 2012

During testing of the Department's operations and close-out procedures at the Singer, Tinley Park and Jacksonville centers, auditors noted numerous weaknesses regarding the close-out process at Singer and Tinley Park, some of which were as follows:

- During a walkthrough of the facilities several months after their closure dates, the auditors noted a large inventory of mechanical store items was still on hand.
- During fieldwork at Singer, the auditors noted the facility's equipment items, generally furniture, had been placed in hallways and appeared to be abandoned.
- The auditors also identified equipment items at Tinley Park, including furniture, 4 farm tractors, a forklift, and 10 inoperable State vehicles that were still on-site within various buildings across the Tinley Park campus and had, presumably, been abandoned.
- The facilities did not conduct an inventory of commodities, general stores, mechanical stores, equipment and real property following the announcement of the closure of the facility.
- Singer did not enter inventory requisitions after October 3, 2012 or enter inventory receiving reports after October 15, 2012 into the Commodity Control System until after the closure date of October 31, 2012.
- The Department was unable to provide documentation supporting internal notification of the Department's Property Control Unit of the impending closure of Singer or Tinley Park 6 months prior to closure.
- During walkthroughs of Spruce Hall at Tinley Park, the auditors identified several boxes of envelopes and several envelopes strewn throughout the building where the envelopes had been run through a postage meter.
- Singer completed its annual June 30, 2012 equipment inventory on August 24, 2012, sixty-eight days prior to closure on October 31, 2012.

Department officials stated the noted exceptions were due to oversight.

We recommended the Department improve its central oversight of the closure of remote locations. The oversight should include the assignment of a liaison between the Central Office and the remote location to monitor the completion of the tasks needed to close out its operations.

Department officials accepted the recommendation and stated they have developed an Administrative Directive for the process for shutting down or decommissioning a DHS-operated facility, center or school. In conjunction with this Administrative Directive, the Department indicated they developed a comprehensive facility closure planning manual to provide instructions for submitting a plan during closures.

ACCOUNTABILITY (CONT.)

INADEQUATE COMPLIANCE WITH PROCEDURES FOR DISPOSAL OF CONFIDENTIAL INFORMATION

During walkthroughs at the Illinois Department of Human Services (Department) Central Office, auditors found unlocked shred bins in open areas that were clearly marked as shred. We also found confidential information that was disposed of in a recycle bin.

At three closed facilities, auditors noted the following exceptions:

- At Tinley Park Mental Health Center, which closed June 30, 2012, auditors conducted a walk-through 13 months following closure and found the Department had left boxes of patient records near the side entrance of a building. In addition, files were noted in four buildings that contained employee personnel records, recipient files, forms containing names and contact information for volunteers, clinical record files, files containing medical tests, pharmaceutical records, patient incident records, patient surgical and psychiatric records, and files containing information on Hurricane Katrina refugees.
- At H. Douglas Singer Mental Health Center, which closed October 31, 2012, auditors conducted a walkthrough 9 months following closure and found complete employee records, recipient court records and other court records, and Patient Daily Census and Movement reports with recipient names. In addition, auditors noted filing cabinets full of investigations, reports, and attorney correspondence related to the Department's Office of the Inspector General.
- At the Jacksonville Developmental Center, which closed on November 27, 2012, auditors found confidential information in trash receptacles, filing cabinets, binders, boxes, and on desks. We found resident names, health information, and social security numbers, a labeled medical specimen, photos of residents labeled with residents' names and incident number, security reports which included resident names, filing cabinets with folder separators labeled with resident names, two computer monitors and three computer towers, a large stack of binders which contained the last name and first initial of residents on the spine of the binders, and manila filing folders with patient names written on the tabs.

We noted the confidential information at the above facilities may have been exposed to outside individuals, including employees of the Department of Central Management Services and vandals. With regard to Tinley Park Mental Health Center, additional exposure occurred as a result of training conducted at the Center by members of the U.S. Navy SEALs and area police officers.

Additionally, documents containing confidential information were found in trash or recycle bins while performing visits at certain other Department facilities. Documentation included information such as patient names, social security numbers, guardian names, addresses, telephone numbers, appointments, assessments, specimen logs, and test orders.

We recommended the Department ensure confidential information is adequately protected and review existing policies regarding the security and control of confidential information to ensure Department-wide procedures exist for ensuring confidential and personal information is adequately secured in both electronic and hardcopy format. We further recommended the Department effectively communicate and enforce its procedures for safeguarding, retention, and subsequent disposal of all confidential information to all Department personnel, including facilities.

Department officials accepted the recommendation and stated they are developing a new Administrative Directive to ensure confidential information is adequately protected and personal information is adequately secured in both electronic and hardcopy format. The Department also stated they will communicate and enforce its procedures for safeguarding, retention, and subsequent disposal of all confidential information to all Department personnel, including facilities.

COMPLIANCE

MEDICAL ASSISTANCE RECORDS NOT UPDATED TIMELY FOR DECEASED INDIVIDUALS

The Illinois Department of Human Services' (Department) fiscal year 2013 records of individuals eligible for participation in the medical assistance program under Title XIX of the Social Security Act included individuals that were deceased according to the Illinois Department of Public Health Vital Records data.

We identified 8,232 individuals for which the Department of Public Health had a death record, but were eligible for medical services. Of the 8,232 deceased individuals with eligibility, 3,522 died prior to Fiscal Year 2013. (We recognized that the Department does not have instantaneous access to death records, and for the purposes of this finding, the 8,232 total includes only those individuals still included as eligible for medical services more than 60 days after their date of death. The comparison was based on an exact match of name, date of birth, and Social Security Number.)

In our review of payment data, we noted the following:

- $12.3 million was paid for capitation and fee-for-service medical costs for 2,850 of the 8,232 deceased individuals.
- $11.4 million of the $12.3 million (93%) was paid specifically for capitation arrangements.
- The $11.4 million was paid on behalf of 993 individuals whose date of death was more than 60 days prior to the payment date.
- 94 percent of the eligibility for the 993 individuals were aged, blind, or disabled.

The payments for capitation arrangements occurring more than 60 days after death began to increase on July 1, 2011 and have continued to steadily increase through the last data we received in connection with this testing, which was October 2013. As of October 1, 2013, capitation payments were continuing to be paid for 861 of the 993 individuals (87%) identified.

We recommended the Department improve its system of internal controls to ensure death dates for current enrollees are entered timely.

Department officials accepted the recommendation. DHS and the Department of Healthcare and Family Services stated they prioritize program integrity and cancelling ineligible cases, and have cancelled approximately 57,000 cases in the past two years due to the death of a recipient. DHS indicated they have several procedures in place in order to delete and/or cancel deceased clients as soon as possible. Additionally, the Department stated they have recently created an Administrative Control Unit and are investigating the sources of electronic information available to ensure they have the most accurate and current information available.

WEAKNESSES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

The Department of Healthcare and Family Services' (Department) year-end reporting in accordance with generally accepted accounting principles (GAAP) submitted to the Illinois Office of the Comptroller contained weaknesses and inaccuracies.
Several errors were identified during the audit of the Department's draft financial statements. The errors were deemed immaterial to the financial statements taken as a whole and, therefore, adjusting journal entries were not made. Some of the conditions we noted follow:

- In making the year-end medical accrual computation, the Department omitted $301,000 of vouchers from the year-end bills on hand and also had a mathematical error totaling $27,152,000 with respect to prompt pay interest that is considered by the Department to be a component of its "incurred but not received" portion of the medical accrual liability. The result of these errors was an understatement totaling $27,453,000 of General Revenue Fund accounts payable and expenditures as of June 30, 2013.
- After the accrued prompt payment interest was inadvertently omitted from the medical accrual/accounts payable computation, the Department subsequently deducted the prompt pay interest expense from its calculation of Federal reimbursable costs as prompt pay interest is not

deemed to be a qualifying federal expenditure. As a result, the Department understated receivables and deferred revenue by $13,541,000, the applicable federal share of the prompt payment interest error described above.

- When making the year-end child support allowance for uncollectable receivables computation, the Department had a mathematical error totaling $3,105,000. Therefore, the obligation to others and allowance for uncollectible receivables was understated by the same amount in the Child Support Enforcement Fund.

We recommended the Department implement internal control procedures to ensure financial reporting is accurate.

The Department accepted the recommendation and will ensure calculations are reviewed by another preparer before the GAAP packages are finalized.

MEDICAL ASSISTANCE RECORDS NOT UPDATED FOR DECEASED INDIVIDUALS

The Department of Healthcare and Family Services' (Department) fiscal year 2013 records of individuals eligible for participation in the medical assistance program under Title XIX of the Social Security Act (Title XIX) included individuals that were deceased according to the Illinois Department of Public Health Vital Records data.

During our comparison of the Department's records of individuals eligible for Title XIX services to the Department of Public Health death records, we identified 8,232 individuals for which the Department of Public Health had a death record, but were included in the Department's system as being eligible for medical services. (We recognized that the Department does not have instantaneous access to death records, and for the purpose of this finding, the 8,232 total includes only those individuals still included as eligible for medical services more than 60 days after their date of death.)

We also determined the Department paid $12.3 million for capitation and fee-for-service medical costs for 2,850 of the 8,232 deceased individuals. Capitation costs of $11.4 million were paid on behalf of 993 individuals whose date of death was more than 60 days prior to the payment date. Of the 993 individuals whose date of death was more than 60 days prior to the payment date, we identified 561 who were enrolled in managed care and had capitation services paid on their behalf more than 90 days after their date of death. Due to the fact that these individuals were deceased, the State in most cases was not paying for any fee-for-services expenses for these individuals after their date of death. However, once the Department enrolled these 561 deceased individuals into managed care, the State began paying their monthly premiums, which totaled $6.96 million through October 1, 2013, which was the last set of data received in connection with this testing.

We recommended the Department improve its system of controls to ensure death dates for current enrollees are entered into its eligibility system and ensure that deceased individuals are not enrolled in managed care. We also recommended the Department take action to recover the payments it made on behalf of individuals for capitation or fee-for-services related to periods after their date of death.

The Department accepted the recommendation and stated they have taken immediate corrective action and continue to take action, to identify deceased clients enrolled in Medicaid, to record their death dates, and to recoup all improper payments for these individuals.

INADEQUATE ADMINISTRATION OF AWARDS AND GRANTS PROGRAMS

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

The Department expended over $443 million (58%) of its total expenditures for awards and grants. We sampled seventeen grant programs from five offices and noted the following weaknesses:

- The Department did not have written procedures to guide its administration of the awards and grants programs tested during the examination period.

COMPLIANCE

- The Department had not established administrative rules for grants.
- The Department had not developed a standardized methodology or formal criteria for monitoring grantees.
- The Department did not sufficiently document its review of 68% of grant reports tested totaling $40.4 million.
- Twenty of 60 (33%) grant desk reviews tested totaling $17.7 million were incomplete or lacked completed review documentation.
- Thirty-three of 62 (53%) grants tested totaling $52.1 million were missing required documentation, including quarterly reports, audits, or follow-up.
- For 12 of 60 (20%) grants totaling $2.9 million, we noted 28 instances where the Department did not sufficiently enforce or document timeliness of reports.
- For 29% of grants tested totaling $9.1 million, the Department did not enforce financial reporting requirements.

We recommended the Department develop a comprehensive grant administration program that includes the development and implementation of administrative rules for grants and written procedures over the awarding and monitoring of all of the Department's grant awards; reviewing the programmatic and financial reports of grant recipients; developing a method to document grant monitoring; scheduling, conducting, and documenting grantee site visits; timely collecting refunds due the Department, if necessary; and considering a risk-based methodology for grantee monitoring, including on-site reviews of higher risk grantees.

Department officials concurred with the finding and recommendation and stated they have been working to address these concerns prior to, during, and since the compliance audit period. Officials stated they are implementing an electronic grant administration and management system, and they are further updating draft grant administration rules and written grants procedures.

NEED TO IMPROVE INTERNAL CONTROLS OVER THE MONITORING OF MEDICARE EXEMPTIONS

The University of Illinois had not established adequate internal controls over accurately identifying and correcting inaccurate Medicare payroll deductions.

During our audit in the prior year, we noted that a University employee was inappropriately identified as being exempt from mandatory Medicare withholding. Subsequently, University management formed a working group which consisted of various offices within the University. The University working group identified 109 employees that had an inappropriate exemption from mandatory Medicare withholding from regular pay events.

In relation to our testwork over payroll vouchers, we recalculated, on a test basis, employee deductions to verify accuracy and that appropriate authorizations were on record. We reviewed 60 transactions representing payments to employees for employment related services of which 6 represented terminated employees' final payment. We did not identify any further instances of inaccurate deductions or inappropriate Medicare withholding exemptions.

We recommended the University review its current process to assess the accuracy of Medicare payroll deductions and the appropriateness of mandatory withholding exemptions to ensure payroll deductions and mandatory payroll withholding are in accordance with applicable laws and regulations.

University officials accepted the recommendation and stated that they have implemented enhanced control procedures to ensure the accuracy of Medicare payroll deductions and appropriateness of withholding exemptions.

AVOIDABLE USE OF EMERGENCY CONTRACTS

The Department of Central Management Services (Department) filed emergency purchase affidavits for purchases which were not emergencies, in violation of the Illinois Procurement Code.

During our testing of emergency purchases, we identified 5 affidavits totaling $2,867,709 during fiscal years 2012 and 2013 for purchases, according to the guidelines set forth in the Illinois Procurement Code (30 ILCS 500/20-30), that only met the definition of an emergency due to the Department's inability to procure contracts in a timely manner, thus creating the emergency situation. The purchases made by the Department under the 5 emergency affidavits included telecommunication services, commodity purchases, and janitorial services.

In the prior engagement we also noted cellular services were procured as emergency purchases. The Department continued to extend the contracts through June 13, 2013 as emergency purchases. In one instance, the Department failed to recognize an emergency situation in a timely manner, which resulted in cellular services rendered without a contract for 59 days. One instance was noted in which the Department continued a contract with a cellular vendor through subsequent renewals and emergency procurement for 11 years despite legislation stating that the maximum duration for contracts shall not exceed 10 years.

We recommended the Department follow the Illinois Procurement Code and use the emergency provisions of the Illinois Procurement Code only in true emergencies and not due to inadequate planning.

The Department concurred that the procurement approach for emergency contracts should only be utilized in true emergency situations. The Department stated that they have taken steps to minimize the use of emergency contracts by proactively managing complex procurements earlier in the procurement cycle.

INADEQUATE CONTROLS OVER BACKGROUND CHECKS

Northeastern Illinois University (University) did not have adequate controls in place for required background checks to be conducted prior to employment for those employees listed in security sensitive positions.

We selected 15 employees listed in security sensitive positions and noted that background checks were not completed prior to employment for 8 of the 15 employees.

We recommended the University review its internal policies and procedures regarding the timely completion of background checks and complete all required background checks in accordance with the Campus Security Enhancement Act of 2008.

University officials agreed with the finding and recommendation.

INADEQUATE CONTROLS OVER FINANCIAL CLOSE AND REPORTING

The Department of Employment Security (Department) did not have adequate controls over financial close and reporting to allow management, in the normal course of performing their assigned functions, to prevent or detect financial statement misstatements in a timely manner.

The Department submitted "GAAP Reporting Packages" to the Illinois Office of the Comptroller (Comptroller) 1 to 21 days late. The "GAAP Reporting Packages" are used by the Comptroller to prepare the State's Basic Financial Statements. Some of the errors noted follow:

- For the Title III Social Security and Employment Services Fund, the accrual for outstanding unpaid facilities, statistical, and telecommunication services provided by agency was understated by $3.8 million.
- For the Unemployment Compensation Special Administration Fund, the Department overstated accounts payable and expenditures in the amount of $2.9 million.
- For the Unemployment Compensation Trust Fund and the Master Bond Fund, the Department failed to record eliminating entries totaling $323.9 million.
- The Notes to Financial Statements included a disclosure on federal expenditures totaling $1,019.3 million, identified under the American Recovery and Reinvestment Act of 2009. However, this disclosure was not applicable for the current year.

All of the above referenced errors were subsequently corrected by the Department on their financial statements.

The auditors also noted other errors related to Financial Statement Reporting. Department officials, however, did not adjust their financial statements since they were deemed to be immaterial. The conditions noted follow:

- For the Unemployment Compensation Trust Fund, the allowance for uncollectible taxes, interest and penalties was erroneously calculated resulting in an overstatement of $8.9 million to the allowance and an understatement to contribution revenues.
- Benefit payments payable in the Unemployment Compensation Trust Fund were understated by $5.3 million.

We recommended the Department establish and implement procedures to ensure required financial information is prepared and submitted to the Comptroller in a timely manner. Further, the Department should improve controls over year-end financial closure and reporting to ensure accurate financial statement presentation and disclosure.

Department officials accepted the recommendation.

GOVERNOR'S DISCRETIONARY APPROPRIATION NONCOMPLIANCE

The Illinois Violence Prevention Authority (Authority) did not comply with fiscal year expenditure limitations for all Governor's discretionary appropriations from the General Revenue Fund (GRF).

Effective January 25, 2013, Public Act 097-1151 transferred all powers, duties, rights, and responsibilities of the Illinois Violence Prevention Authority to the Illinois Criminal Justice Information Authority (ICJIA).

During FY11, the Authority received $92.35 million from the Governor's discretionary appropriation.

The Authority did not expend nearly $65 million of the Governor's FY11 discretionary appropriations from the GRF in the year appropriated for expenditure. During FY11, $1.4 million was transferred from the GRF to the appropriated Fund 184, $90.95 million was transferred to the non-appropriated Fund 318, and all discretionary funds were considered "expended" by the agency in FY11. However, at the end of the FY11 lapse period, discretionary funds totaling nearly $66 million had not been disbursed by the Authority. In FY12, over $51 million of the remaining funds had been expended and more than $14 million was rolled over for FY13.

We recommended ICJIA ensure all payments comply with any fiscal year limitations.

ICJIA officials agreed in part with the finding but believed the deposit of discretionary appropriation funds to the non-appropriated 318 Fund for future grant expenditures effected the expenditure of the lump sum appropriation during FY11. ICJIA officials contended that subsequent disbursements from the non-appropriated fund were not subject to the fiscal year limitations applicable to the FY11 lump sum appropriation.

In an auditor's comment, we noted the carryover and subsequent expenditure of the FY11 appropriated funds into FY12 and FY13 violated fiscal year limitations that attach to appropriated funds and which cannot be circumvented by the lawful transfer of discretionary funds to a non-appropriated fund. The appropriation bills and statutory citations incorporated into the interagency agreements specifically required the expenditure of FY11 discretionary appropriations during FY11.

NEED TO IMPROVE REPORTING OF CAPITAL ASSETS

The Illinois Department of Transportation (Department) did not accurately report capital assets to the Illinois Office of the Comptroller for fiscal year 2013.

Some of the errors and weaknesses we noted in the

Department's capital asset process follow:

- At June 30, 2012, the Department did not transfer three buildings from Construction in Progress to Buildings within its capital asset records. The buildings had been placed in service during fiscal year 2012. In fiscal year 2013, the buildings were added to the reported amount of Buildings according to their placed in service dates. However, the buildings were not deleted from Construction in Progress balance on the original Agency Report of State Property (Form C-15) filed in fiscal year 2013 nor from the original capital asset records provided to us during the audit fieldwork. During the audit fieldwork, the amount duplicated, $1.4 million, was corrected by the Department and depreciation expense was adjusted accordingly.
- The Department improperly capitalized repair and maintenance type expenditures in infrastructure additions. In the prior year, the Department made similar errors resulting in capital assets being overstated due to the capitalization of these costs as infrastructure additions. Through our testing of infrastructure additions, and with the assistance of the Department, we identified $37.5 million of fiscal year 2012 and $67.5 million of fiscal year 2013 infrastructure additions were improperly capitalized as the costs related to repair and maintenance type contracts. The Department corrected the errors by reducing infrastructure additions in fiscal year 2013 and revising its capital asset records and financial statements accordingly at June 30, 2013.
- In our testing of repair and maintenance type expenditures, we noted the Department initially failed to capitalize costs related to significant sewage system upgrades at two rest areas. The Department has stated that rest areas are considered to be part of the Statewide infrastructure network and costs should be capitalized in accordance with the policies for infrastructure. The amounts initially not capitalized were $1.4 million for fiscal year 2012 and $650 thousand for fiscal year 2013. The Department corrected the total amount, $2.1 million, by increasing infrastructure additions in fiscal year 2013 within its capital asset records and its financial statements for the year ended June 30, 2013.
- During our testing of capital assets, we noted certain assets were duplicated when performing equipment reconciliations in fiscal year 2013, and other assets were omitted. The total net amount of errors discovered, $1.5 million of overstated equipment, was corrected by the Department in its capital asset records and financial statements for the year ended June 30, 2013.
- In fiscal year 2012, the Department developed a methodology to allocate accounts payable from future years' appropriations to capital outlays and capitalize those amounts. In allocating these amounts in fiscal year 2013, the Department's calculations included errors that resulted in initial capital outlay being overstated. The initial capital outlay calculation was also overstated due to the infrastructure addition errors described previously. As part of the Department's correction efforts performed during the audit fieldwork, the Department corrected the errors noted related to the amounts of accounts payable from future years' appropriations allocated to capital outlays. The corrections were included in the final, revised financial statements provided to us for the year ended June 30, 2013.
- In our prior year testing of land additions, we noted the Department improperly capitalized certain costs which were not related to the acquisition of land, resulting in an overstatement of land. During our testing of land additions in fiscal year 2013, it was noted that the prior year overstatements had not yet been corrected. During the audit fieldwork, the Department corrected the errors by reducing land additions in its capital asset records and financial statements for the year ended June 30, 2013 in fiscal year 2013 by $4.8 million.
- During our testing of software expenditures, the Department informed us of two internally-generated software projects over $1 million that should be capitalized. The estimated amount of these project costs were $2.8 million through June 30, 2013; however, the Department was still evaluating the applicability of the technical guidance to this situation at the time of fieldwork. Costs that should be capitalized were not determinable by the Department. The total population of potential misstatements for this weakness was not considered material by the Department and was not corrected as of June 30, 2013.

We recommended the Department devote sufficient resources to its financial accounting function such that the capital asset information is properly recorded and accounted for to permit the preparation of reliable financial information and reports to the Office of the Comptroller.

Department officials agreed with the recommendation and stated during FY13 additional GAAP staff was added to the Fiscal Operations Unit. None of the new staff had previous experience with the Department but did have GAAP experience. The complexity of the GAAP process within the Department and the numerous systems required to produce the annual capital asset reporting for the Comptroller's Office produced a longer than anticipated learning curve for the new staff. The accuracy of capital asset reporting should improve due to the valuable experience of lessons learned from FY13.

FAILURE TO ADOPT FORMAL RULES FOR AGENCY AND GRANT PROCEDURES

The Illinois Arts Council (Council) did not draft or adopt formal agency rules, including rules relating to grant procedures. Grant expenditures were $8,106,501 and $7,432,415 for fiscal years 2012 and 2013, respectively.

The Illinois Administrative Procedure Act (5 ILCS 100/5 et seq.) states that each agency shall maintain and file organizational rules, including a current description of the agency's organization, current procedures for information requests, and a current description of the agency's rulemaking procedures.

We recommended the Council draft organizational rules and grant procedures, then contact the Joint Committee on Administrative Rules for assistance with the formal adoption process.
Council officials stated they have been in contact with the Office of the Governor for funding and will continue to seek guidance.

NEED TO IMPROVE FINANCIAL REPORTING

The Illinois State Board of Education (Board) did not identify or prevent misstatements in the Generally Accepted Accounting Principles (GAAP) Reporting Package and the draft financial statements provided to auditors.

- The Board understated fiscal year 2013 expenditures, liabilities, and federal receivables by $16,963,347 due to the inaccurate calculation of adjustments to grant expenses and liabilities as of fiscal year-end for subrecipients. This also resulted in an understatement of $21,478,388 in unavailable deferred revenue and overstatement of $4,515,041 in federal operating grants revenue.
- The Board did not report the cost of grants provided to sub-recipients totaling $51,557,728 for non-cash and cash grants in the Grant/Contract Analysis Form of the GAAP Reporting Package.

We recommended the Board review its current process for preparation and review of the annual financial statements and GAAP Reporting Package to ensure that financial information is complete and accurate.

Board management agreed with the finding and stated they plan to automate the liability calculation and perform data analyses to ensure calculations are reasonable. Management also stated they will ensure proper reporting of sub-recipient amounts in the future.

LATE PAYMENT OF STATUTORILY MANDATED TRANSFERS

The Office of the Comptroller did not make all transfers from the General Revenue Fund within the established timeframes, as required.

The Office of the Comptroller processed transfers from 33 to 416 days after the mandated transfer date for a total of $616 million in FY13. Failure to make inter-fund transfers within applicable timeframes is in noncompliance with State law and might result in delayed use of appropriated funds.

Comptroller officials stated the late payment of transfers occurred because of cash management decisions and prioritization due to the lack of available cash in the State Treasury. Further, some statutory provisions relating to transfers contain language such as "as soon as possible."

We recommended the Comptroller make transfers within timeframes established by applicable statute. While we realize that lack of available funds in the State Treasury requires prioritization and cash management decisions, we also recommended the Comptroller continue in its efforts to make transfers in as timely a manner as possible.

Comptroller officials accepted the recommendation and stated taking into account the financial condition of State funds, they will continue to make transfers in the timeliest manner possible. ❖

STATEWIDE SINGLE AUDIT UPDATE

The purpose of the Statewide Single Audit is to fulfill the State mandate in accepting federal funding. It includes all State agencies that are part of the primary government and expend federal awards. In total, 45 Illinois State agencies expended federal financial assistance in FY13.

The Schedule of Expenditures of Federal Awards (SEFA) reflects total expenditures of approximately $23.5 billion for the year ended June 30, 2013. Overall, the State participated in 420 different federal programs; however, 10 of these programs or program clusters accounted for approximately 83.1% of the total federal award expenditures.

FEDERAL AGENCIES PROVIDING FEDERAL FUNDING
For the year ended June 30, 2013

U.S. Department	*Millions*
Health & Human Services	$ 10,645.5
Agriculture	4,421.9
Labor	4,086.3
Education	1,814.3
Transportation	1,742.7
All Others	820.6
Total Federal Award Expenditures	**$ 23,531.3**

Source: FY 2013 State of Illinois Single Audit Report

Overall, eleven State agencies accounted for approximately 98.5% of all federal dollars spent during FY 2013.

Our audit testing focused primarily on the 33 major programs expending about $21.8 billion in federal awards.

Our report contained 74 findings related to 17 State agencies.

SUMMARY OF FEDERAL SPENDING BY STATE AGENCY
For the year ended June 30, 2013

Agency	*Millions*
Healthcare and Family Services	$ 8,423.5
Human Services	5,204.0
Employment Security	3,942.0
Board of Education	2,132.8
Transportation	1,737.0
Commerce & Economic Opportunity	513.9
Children & Family Services	396.2
Public Health	237.9
Student Assistance Commission	213.4
Emergency Management Agency	178.9
Environmental Protection Agency	176.3
All Others	375.4
Total Federal Spending	**$ 23,531.3**

Source: FY 2013 State of Illinois Supplemental Report of Federal Expenditures by Agency/Program Fund. (Amounts may not add exactly due to rounding.)

AUDITOR GENERAL

The Performance Audit Program

Performance audits are conducted at the request of legislators to assist them in their oversight function. Based on the scope specified in the resolution or the law requesting the audit, State agencies' programs, functions, and activities are reviewed. The audits determine if resources are used efficiently, economically, and effectively to provide the services which the General Assembly intended. Depending on the focus, they are generally referred to as program or management audits.

The General Assembly uses performance audit information to develop legislation, to deal with budgetary issues, and to direct agencies to change and improve programs. Some audits produce immediate changes. For example, our 2012 audit of the Firearm Owner's Identification Card Program identified several problems with the Illinois State Police's administration of the program. Public Act 97-1131, which was effective January 1, 2013, addressed a major finding in the audit report that not all individuals with adjudicated mental health cases were being reported to State Police. The new law mandates that the circuit courts direct the circuit clerks to provide adjudicated mental health information in a form and manner prescribed by State Police and to forward a copy of the court order to State Police.

In other instances, significant changes may not be seen for several years. The length of time it takes to see changes is due to the process of transforming the audit findings and recommendations into legislative bills and converting bills into law; additionally, once a law is implemented, the effects may not be apparent for some time.

In 2014, our 2012 *Management Audit of the College Illinois! Prepaid Tuition Program's Administrative Operations* received a Recognition of Impact Award from the National Legislative Program Evaluation Society (NLPES). The award is given annually by NLPES for audit reports that demonstrate significant dollar savings, program improvements, or impact from a legislative and public perspective. The Office previously received the NLPES Certificate of Recognition of Impact for the following audits:

- *2012 Management Audit of the Department of State Police's Administration of the Firearm Owner's Identification Act;*
- *2011 Management Audit of the State's Financial Reporting System;*
- *2010 Program Audit of the Covering ALL KIDS Health Insurance Program;*
- *2009 Management and Program Audit of the Illinois State Police's Division of Forensic Services;*
- *2008 Performance Audit of the Department of Healthcare and Family Services' Prompt Payment Act Compliance and Medicaid Payment Process;*
- *2007 Performance Audit of the Mass Transit Agencies of Northeastern Illinois;*
- *2006 Management Audit of the Flu Vaccine Procurement and the I-SaveRx Program;*
- *2004 Management and Program Audit of the Rend Lake Conservancy District;*
- *2003 Management Audit of the Illinois State Toll Highway Authority;*
- *2002 Management Audit of Agency Use of Internet User Tracking Technology;*
- *2001 State Board of Education and Other State Agencies Providing Funding to Illinois' Regional Offices of Education;*
- *2000 Management Audit of Child Support State Disbursement Unit;*
- *1999 Management Audit of the Pilsen Little Village Community Mental Health Center; and*
- *1998 Management Audit of Tuition and Fee Waivers.*

Office of the Auditor General performance audits have also received four Excellence in Accountability Awards by the National State Auditors Association (NSAA) over the past 11 years:

- *Management Audit of the Department of State Police's Administration of the Firearm Owner's Identification Act in 2013;*
- *The Performance Audit of the Mass Transit Agencies of Northeastern Illinois: RTA, CTA, Metra, and Pace in 2008;*
- *The Management and Program Audit of the Rend Lake Conservancy District in 2005; and*
- *The Management Audit of the Illinois State Toll Highway Authority in 2004.*

PERFORMANCE

The Performance Audit Program

NSAA established the Excellence in Accountability Awards Program in 2003 to recognize outstanding performance audits and special projects.

Performance audits directly impact and improve agency operations. The Auditor General released eight performance audits and four reviews in 2014. The audits contained a total of 60 recommendations. State agencies generally accepted the audit recommendations to correct or improve operations. In addition, the Performance Audit Program had the responsibility for Fiscal Year 2013 audits of 44 Regional Offices of Education (ROEs) and 3 Intermediate Service Centers (ISCs). Audits released in 2014 included a total of 77 recommendations for improvement. ❖

Performance Audits Completed in 2014

VILLAGE OF ROBBINS' USE OF MUNICIPAL ECONOMIC DEVELOPMENT FUND MONIES

The Public Utilities Act (220 ILCS 5/8-403.1) requires the Auditor General to conduct an annual financial, compliance, and program audit of distributions received by any municipality from the Municipal Economic Development Fund (MEDF). Qualified solid waste energy facilities are required to pay into the Fund \$0.0006 per kilowatt hour of electricity the facilities sold to electric utilities. Each audit is to be for distributions from the Fund for the immediately preceding year. This is the fourteenth audit conducted under this requirement. This audit covers distributions from the Fund during calendar year 2012. The Village of Robbins was the only entity to receive distributions from the Fund. The audit concluded that:

- In 2012, Robbins received \$371,585.68 in disbursements from the Fund.
- Robbins used these monies for Village payroll and employee insurance expenses. Based on our review of documentation provided by the Village of Robbins, we concluded that Robbins' calendar year 2012 expenditures of MEDF receipts appeared to be consistent with Public Utilities Act requirements.

STATE MONEYS PROVIDED TO THE ILLINOIS VIOLENCE PREVENTION AUTHORITY FOR THE NEIGHBORHOOD RECOVERY INITIATIVE

The Neighborhood Recovery Initiative (NRI) is a program designed to reduce risk factors associated with violence in 23 communities in Cook County. In August 2010, the Governor's Office gave the Illinois Violence Prevention Authority (IVPA) the responsibility to develop a framework for the program as well as administer and oversee the program. In each of the 23 communities, IVPA contracted with a lead agency which was responsible for managing the NRI program in their community. The 23 lead agencies contracted with 99 coordinating partners and 120 providing partners (community partners) to provide NRI services.

Our audit of the first two years of the \$54.55 million NRI program found pervasive deficiencies in IVPA's planning, implementation, and management of the NRI program.

- The NRI program was hastily implemented, which limited the time IVPA had to adequately plan for and implement the program.
- No documentation existed showing how IVPA selected the NRI communities, and not all the most violent Chicago communities were included in the program.
- IVPA did not exercise due diligence in the selection of the lead agencies.

PERFORMANCE

- Contracts with community partners were not timely approved by IVPA.
- IVPA failed to adequately implement two critical financial control mechanisms: initial budgets and quarterly fiscal reports.
  – Required lead agencies' initial budgets were routinely revised, even after the end of the budget year; and
  – Quarterly reports required to be submitted by lead agencies and community partners were late and frequently revised.
- IVPA also failed to approve reallocation of funds.
- Contractually required staffing levels were not met by community partners.
- Required timesheets were not consistently maintained by community partners.
- Lead agencies changed NRI personnel and contractually required IVPA notification was not documented.
- IVPA did not adequately monitor the expenses incurred by lead agencies and community partners. Auditors selected 23 NRI agencies for site visits (2 went out of business, so only 21 were visited) and found that in many instances the supporting documentation provided did not support the expenditure amount reported by the agency on their close-out report. In other instances, expenses were unallowable. Auditors questioned $673,674 in expenditures because two providers went out of business and auditors were unable to verify the appropriateness of their expenditures. In total, auditors questioned $1.8 million of the $4.4 million (40 percent) charged by these agencies to the NRI program.
- IVPA utilized an inadequate process to recover unspent NRI funds from lead agencies and community partners. The procedures in place to identify excess and surplus real property were not fully adequate to ensure that all excess and surplus real property was being identified.

REVIEW OF THE DEPARTMENT ON AGING'S COMMUNITY CARE PROGRAM REFORM IMPLEMENTATION REPORT

Public Act 98-0008 made several changes to the Illinois Act on the Aging to increase the effectiveness of the Community Care Program (CCP) administered by the Department on Aging (Aging). The Act required Aging to file an implementation report with the Auditor General, the Governor, and leaders of the General Assembly by July 1, 2013 identifying actions Aging needed to take to implement the reforms mandated by Public Act 98-0008. The Act further required Aging to provide evidence to the Auditor General by February 1, 2014 that it has undertaken the actions listed in its implementation report. Finally, the Act required the Office of the Auditor General (OAG) to review the evidence submitted by Aging and issue a report to the Governor and legislative leaders no later than April 1, 2014 as to whether Aging took the actions listed in its implementation report.

Aging submitted its required implementation report with the Auditor General on June 27, 2013. The June 27 Report identified 11 provisions of Public Act 98-0008 where Aging officials concluded they needed to take some action to implement. The Report noted that no amendments to the Illinois Title XIX State plan had been made or offered.

As required by Public Act 98-0008, Aging submitted its February 1, 2014 report along with the evidence which it identified as documenting the actions delineated in its June 27, 2013 report. The evidence consisted of 100 documents, including new or revised policies, proposed rules, meeting attendee information and agendas, training presentations, federal approval of payment initiative, etc.

The OAG reviewed the evidence provided by Aging to determine whether it was supportive of the actions that Aging said it had taken. On February 14, 18, and 28, the OAG followed up with Aging with questions concerning the evidence provided and requested additional evidence to support actions taken. Aging provided responses to the OAG's questions, providing over 45 pieces of additional documentation.

Our review concluded that the evidence submitted by Aging generally supported the actions reported by the Department. This report does not constitute an audit as that term is defined in generally accepted government auditing standards.

Illinois Law Enforcement Training and Standards Board's Use of Moneys Appropriated from the Death Certificate Surcharge Fund

The Vital Records Act (410 ILCS 535/25) provides for a two dollar surcharge fee for obtaining a certified copy of a death certificate. This fee is mandated to be deposited into the Death Certificate Surcharge Fund (Fund). Subject to appropriation, 25 percent of the moneys in the Fund may be used by the Illinois Law Enforcement Training and Standards Board (LETSB) for the purpose of training coroners, deputy coroners, forensic pathologists, and police officers for homicide investigations.

For the four-year period, fiscal years 2010 through 2013, LETSB was appropriated $1,576,000 from the Fund. Of the $1,576,000, LETSB expended $1,563,997 or 99 percent of funds appropriated. The majority of moneys expended by LETSB from the Fund for fiscal years 2010 through 2013, $1,331,633 or 85 percent of the total expenditures, were for reimbursements to Mobile Team In-Service Training Units (MTUs) for training provided. The Illinois Coroners and Medical Examiners Association received $187,739 during the four-year period, or about 12 percent of the total moneys expended from the Fund by LETSB.

Although LETSB is statutorily mandated with the responsibility for training coroners and lead homicide investigators, LETSB:

- Did not notify county boards of successful or unsuccessful completion of mandated coroner training as required by State law and its administrative rules, and could not provide auditors with a list of coroners that were elected;
- Did not track coroner training hours to ensure that coroners were receiving mandated training;
- Had not developed policies and procedures for the use of Death Certificate Surcharge Fund moneys; and
- Did not assess homicide training needs on a statewide basis in order to identify areas or individuals that need training.

Our review of 100 vouchers for the four-year period found several issues including:

- Lack of a proposal and prior approval of training;
- Untimely requests for reimbursement;
- Improper and untimely voucher approval; and
- Lack of expenditure support.

We also found that LETSB was reimbursing expenses that were unrelated to homicide investigation training and other costs that were prohibited by LETSB's guidelines. These costs included items such as building rent for LETSB's administrative offices and banquet and food/beverage expenses at training conferences.

Center for Comprehensive Health Planning and Health Facilities and Services Review Board

Public Act 96-0031, effective June 30, 2009, amended the Health Facilities Planning Act (Planning Act) and directed the Auditor General to conduct a performance audit of the Center for Comprehensive Health Planning (Center), Health Facilities and Services Review Board (Board), and the Certificate of Need (CON) processes. The Public Act required the performance audit to be commenced 24 months after the final member of the Board had been appointed. The final member was appointed to the Board in June 2011 and our audit work began in June 2013. Our audit found the following:

- The Governor has not appointed a Comprehensive Health Planner to lead the Center for Comprehensive Health Planning as required by Public Act 96-0031, effective June 30, 2009.
- The Department of Public Health has not established a Center for Comprehensive Health Planning as required by Public Act 96-0031, effective June 30, 2009.
- As a result of the lack of a Comprehensive Health Planner and the lack of a Center for Comprehensive Health Planning, no progress had been made to develop a Comprehensive Health Plan.

PERFORMANCE

- According to an annual report to the General Assembly and Governor from the Department of Public Health, the fiscal year 2014 budget appropriated $900,000 from the Health Facilities Planning Fund to the Department to fund the start-up of the Center for Comprehensive Health Planning. This appropriation amount appears reasonable, however, the adequacy of funding for the Center for subsequent years is difficult to assess given the absence of a Comprehensive Health Planner and lack of a Comprehensive Health Plan.
- Of the 77 settlement agreements finalized in fiscal years 2009 through 2013, 5 settlements were uncollectable (totaling $474,000) and 5 settlements were in a non-compliant status ($4,500 plus outstanding reports).
- While fines are specifically authorized and prescribed by the Planning Act, the use of "in-kind" services in settlement agreements is not specifically authorized or addressed in statute or rule. The negotiated value of settlements for fiscal years 2012 and 2013 totaled approximately $2.1 million, of which $1.7 million was "in-kind" services and the remaining $425,000 was fines.
- The Board was not timely in identifying violations and moving through the violation process. Overall, the violation process took 3.5 years on average from the date of the violation to the date when there was a signed resolution to the issue. Seven settlements took longer than 4 years, the longest taking almost 10 years.
- While we found it difficult to make a comparison due to the many factors influencing the final value of the settlement, we concluded that, given their respective circumstances, the settlements did not appear unreasonable.
- Since 2009, there have been several changes to the Health Facilities and Services Review Board and the certificate of need process. We determined that most of these changes have been implemented. Changes not implemented include: the Board did not post on its website an annual accounting of revenues and expenses for fiscal years 2011, 2012, and 2013; and the Board's Chairman did not conduct annual reviews of Board member performance or report attendance records to the General Assembly as required by the Planning Act.

Review of the Expedited Long Term Care Eligibility Determination and Enrollment System

On July 22, 2013, the Governor signed into law Public Act 98-104 (Act). The Act amended the Public Aid Code to require an expedited long term care (LTC) eligibility determination and enrollment system be established to reduce long term care eligibility determinations to 90 days or fewer by July 1, 2014. Public Act 98-104 also required that no later than August 1, 2014, the Auditor General shall report to the General Assembly concerning the extent to which the timeframes specified in 305 ILCS 5/11-5.4 have been met and the extent to which State staffing levels are adequate to meet the requirements of the section.

Our review concluded that:

- Public Act 98-104 required that the lead agency, the Department of Healthcare and Family Services (HFS), file interim reports with the Chairs and Minority Spokespersons of the House and Senate Human Services Committees no later than September 1, 2013, and February 1, 2014. HFS complied with this requirement by filing two interim reports dated September 1, 2013, and January 31, 2014, that reported on the status of implementing the expedited long term care eligibility determination and enrollment system.
- Although a new eligibility system has been implemented, LTC eligibility determinations are not always being made within 90 days. As of July 1, 2014, based on information extracted from the tracking system set up by DHS for long term care cases, there were 4,226 LTC applications pending. Of those cases pending, 2,141 (51%) were over 90 days old.
- According to information provided by HFS in June 2014, as required by Public Act 98-104, the State has been actively reviewing the feasibility of incorporating data relevant to transfers of assets and spousal impoverishment into the new Integrated Eligibility System (IES). HFS has determined that it is feasible to incorporate this data into IES for eligibility determinations and, according to HFS officials, the resources are in place to accomplish this by September 2015.

Performance Audits Completed in 2014 (cont.)

- The number of DHS caseworkers increased by approximately 900 between January 2013 and June 2014. However, these staff have duties that are spread out over many different programs offered by DHS. Assessing whether staffing was adequate was complicated by the fact that the eligibility system, processes, and organizational structures at both DHS and HFS were in flux at the time of our review. According to agency officials at DHS, they could not tell at this point whether staffing will be adequate to handle all long term care functions timely and efficiently. According to HFS OIG officials, ongoing attempts to expedite and streamline the workflow process may require additional resources because this is a transitional time period for all parties.

COVERING ALL KIDS HEALTH INSURANCE PROGRAM

Public Act 95-985 amended the Covering ALL KIDS Health Insurance Act [215 ILCS 170/63] and directed the Auditor General to annually audit the ALL KIDS program. This is the fifth annual audit and covers FY13. The focus of this audit is on "EXPANDED ALL KIDS," which is the portion of the ALL KIDS program that serves uninsured children not previously covered by KidCare (children whose family income was greater than 200 percent of the federal poverty level or who were undocumented immigrants).

The population for this audit has decreased since the FY12 audit due to the passage of PA 96-1501, which made children whose families' household income was above 300 percent of the federal poverty level (FPL) ineligible for EXPANDED ALL KIDS.

This FY13 audit follows up on the Department of Healthcare and Family Services' (HFS) and the Department of Human Services' (DHS) actions to address prior audit findings. Our audit found:

- In FY13, 84,563 children were enrolled in EXPANDED ALL KIDS.
- Services provided in FY13 for the EXPANDED ALL KIDS enrollees totaled $75.2 million.
- Of the 34,952 EXPANDED ALL KIDS recipients that required a redetermination of eligibility in FY13, we determined that 11,328 (32%) were not redetermined annually as required.
- HFS and DHS did not verify one month of income for determining continued eligibility as required by Public Act 96-1501.
- In FY13, 154 recipients received 1,966 services totaling $111,004 after the month of their 19th birthday. Additionally, there were 283 individuals who appeared to be enrolled with more than one identification number. We also compared the FY13 duplicates with the duplicates identified in our FY11 audit and determined that 86 of the duplicates in FY11 were still duplicates in FY13.
- During our review in FY13, we found the EXPANDED ALL KIDS data continued to have recipients who appear to be incorrectly coded as "undocumented." Many recipients had verified social security numbers, alien registration numbers, or a combination of both.
- During testing we found that residency was not documented as verified in 6 of 37 (16%) files sampled. We also found birth or identity documentation, such as a birth certificate, was not obtained for 11 of the 37 (30%) recipients tested.
- While HFS and DHS took some action to address the previous 10 recommendations, 8 of the recommendations are repeated.

STATE'S PROCUREMENT OF INMATE TELEPHONE SERVICE VENDORS

Senate Resolution Number 122 directed the Auditor General to conduct a management audit of the State's procurement of inmate telephone service vendors. A vendor provides inmate collect calling services and pays the State a commission on all completed calls. Both the Department of Central Management Services (CMS) and the Department of Corrections (Corrections) receive a portion of the commission payments. During the 29-month period we examined, Corrections received $13.4 million in commission payments while CMS received $18.1 million.

In June 2012, CMS awarded the inmate collect calling contract through an invitation for bids process. The procurement resulted in lower costs to users under the new contract compared to the previous contract. During the 29-month period we examined, the average cost under the previous contract was $5.82 per call while the average cost under the new contract was $3.87 per call.

Our audit of the procurement found several issues, including the following:

- CMS failed to follow a requirement in the solicitation document by not providing written responses to all vendor questions. CMS failed to respond to 28 of the 101 questions submitted and missed two of its own deadlines to publish answers to vendor questions.
- The pricing table in the solicitation document, which was not created until just prior to publication, was flawed which allowed vendors to tailor their bids to receive maximum points. The way pricing was structured, and since there were no caps on rates specified in the invitation for bids, a vendor could have bid any amount ($20 per call, $50 per call, $1,000 per call, etc.) under set up charges and still had the highest point total to be awarded the contract.
- The Illinois Commerce Commission (ICC) issued a declaratory ruling on April 9, 2013, stating that rate caps on operator services would apply to inmate collect calling services. CMS amended its contract with the winning vendor to comply with the ICC order. The contract amendment lowered the charges from $4.10 per call to $3.55 per call. The contract amendment also lowered the commission rate that the vendor paid to the State from 87.1 percent to 76.0 percent.
  - The decision to lower the commission rate in the contract amendment was not adequately supported or documented. It was unclear why the commission rate was lowered and it was unclear how the rate of 76.0 percent was derived.
  - While the amendment to the contract resulted in a lower cost per call for inmates and their families, it also resulted in a significant increase in the amount of revenue earned by the vendor. CMS erred in the method used to lower the commission rate which resulted in the vendor's revenue per call increasing by 61 percent ($0.53 per call to $0.85 per call). Based on the average calls per month, this change would result in the vendor's revenue increasing by over $1.3 million per year.

Two protests were filed related to the procurement of inmate collect calling services which were handled by the Chief Procurement Officer for General Services. The decisions concerning the resolution of the protests were adequately supported and documented. In addition, the protests and the resolution of the protests followed applicable laws and rules.

2014 ANNUAL REVIEW OF INFORMATION SUBMITTED BY THE RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The Illinois State Auditing Act requires the Retirement Plan for Chicago Transit Authority Employees (Retirement Plan) to submit to the Office of the Auditor General (OAG) an audit, an annual statement, and an actuarial statement by September 30 of each year. On September 30, 2014, the OAG received these documents from the Retirement Plan. The OAG reviewed these documents and concluded that the Retirement Plan had complied with the requirements established in the Auditing Act.

The Illinois Pension Code (40 ILCS 5/22-101(e)(3)) requires the Retirement Plan to determine, based on a report prepared by an enrolled actuary, the estimated funded ratio of the Retirement Plan's total assets to its total actuarially determined liabilities. The Plan is also required to determine the employee and employer contribution rates needed to meet funding requirements established by the Pension Code. The Auditor General is required to review the determination and the assumptions on which it is based and determine whether they are "unreasonable in the aggregate". This report does not constitute an audit as that term is defined in generally accepted government auditing standards.

The OAG and our consultants, Aon Hewitt, reviewed the Retirement Plan's assumptions contained in the January 1, 2014 Actuarial Valuation and concluded that they were not unreasonable in the aggregate. However, the Plan should conduct reviews of the following three assumptions prior to next year's valuation:

- Investment return assumption: While the January 1, 2014 Valuation lowered the investment return assumption from 8.50 percent to 8.25 percent, it remains at the upper end of investment return assumptions used by other plans. We recommend that the Plan annually review the reasonableness of its investment return assumption, rather than wait for the next experience study.
- Mortality assumption: The mortality assumptions used by the Plan were changed in the January 1, 2014 Valuation to account for future mortality improvements. However, the assumptions were chosen before final 2014 mortality tables were issued by the Society of Actuaries. We recommend that the Plan's mortality experience be reviewed next year based on the new tables.
- Active participant assumption: Over the past five years, the headcount of active plan members (i.e., employees) has been declining. Given the impact such a decline can have on future contribution levels, we recommend that the Plan review the use of a constant headcount.

The contribution rates adopted by the Retirement Plan Board for 2015 remained unchanged from the 2014 contribution rates: 14.250 percent of pay for the employer rate (which is net of the employer debt service credit of 6% of pay) and 10.125 percent of pay for employees.

The funded ratio of the Retirement Plan increased slightly from 59.4 percent as of January 1, 2013, to 60.9 percent as of January 1, 2014. At January 1, 2014, the Plan's assets totaled $1.893 billion and the actuarial accrued liability was $3.106 billion, according to the Plan's January 1, 2014 Actuarial Valuation.

VILLAGE OF ROBBINS' USE OF MUNICIPAL ECONOMIC DEVELOPMENT FUND MONIES

The Public Utilities Act (220 ILCS 5/8-403.1) requires the Auditor General to conduct an annual financial, compliance, and program audit of distributions received by any municipality from the Municipal Economic Development Fund (MEDF). Qualified solid waste energy facilities were required to pay into the Fund $0.0006 per kilowatt hour of electricity the facilities sold to electric utilities; this requirement expired in January 2013.

Each audit is to be for distributions from the Fund for the immediately preceding year. This is the fifteenth audit conducted under this requirement. This audit covers distributions from the Fund during calendar year 2013. The Village of Robbins was the only entity to receive distributions from the Fund. The audit concluded that:

- In 2013, Robbins received $227,048.04 in disbursements from the Fund.
- Robbins used these monies for employee payroll, insurance expenses, payment on a fire truck, and general Village expenses. Based on our review of documentation provided by the Village of Robbins, we concluded that Robbins' calendar year 2013 expenditures of MEDF receipts appeared to be consistent with Public Utilities Act requirements.
- Robbins officials failed to recognize they had received nearly $220,000 in MEDF monies in 2013 because the monies were electronically deposited into another Village account. Consequently, Robbins failed to keep the funds in a "separate account" as required by the Public Utilities Act. We recommended that Robbins strengthen its internal controls and hold all MEDF monies in a separate account.
- The Department of Revenue continued to collect payments from a qualified solid waste energy facility (QSWEF) for deposit into the MEDF after the requirement expired in January 2013. The monies totaling $34,429.52 were distributed to Robbins. The Department had refunded most but not all of the payments made after January 2013 to the QSWEF. We recommended that Revenue should: strengthen controls to ensure that taxes are not collected from taxpayers when a tax has expired; notify the QSWEF of the remaining overpayment; and determine whether the amounts paid to Robbins should be recovered by the State, and if so, the means by which this should be accomplished.

2014 ANNUAL REVIEW OF INFORMATION SUBMITTED BY THE CHICAGO TRANSIT AUTHORITY'S RETIREE HEALTH CARE TRUST

The Board of Trustees of the Chicago Transit Authority Retiree Health Care Trust is required by the Illinois Pension Code to submit a report to the Office of the Auditor General (OAG). The report is intended to annually assess the funding level of the Retiree Health Care Trust.

The Illinois State Auditing Act (Section 5/3-2.3(f)) requires the OAG to examine the information on the funding level of the Retiree Health Care Trust submitted pursuant to Section 22-101B(b)(3)(iii) of the Illinois Pension Code.

The OAG is required to review the Retiree Health Care Trust's assumptions to ensure they are not unreasonable in the aggregate. This report does not constitute an audit as that term is defined in generally accepted government auditing standards.

- The Retiree Health Care Trust submitted its Actuarial Valuation Report as of January 1, 2014 to the Office of the Auditor General on September 30, 2014.
- The Report concluded that the actuarial present value of projected contributions, trust income, and assets, in excess of the statutory reserve, exceeded the actuarial present value of the projected benefits. Consequently, no change in benefits or contributions was required.
- We examined the assumptions in the Retiree Health Care Trust's Actuarial Valuation Report and found that they were not unreasonable in the aggregate.

DEPARTMENT OF CHILDREN AND FAMILY SERVICES' SEARCH FOR MISSING CHILDREN

House Resolution Number 120 directed the Office of the Auditor General to conduct a management audit of the Department of Children and Family Services' (DCFS) search for missing children. The Resolution asked the audit to determine the following for calendar years 2011–2012: (1) the number of children reported missing; (2) whether timely reports of missing children were made to required parties; and (3) the steps followed to locate and recover missing children, including compliance with procedures.

DCFS' goal is to provide for the well-being of children (State wards) in foster or substitute care who cannot return home safely and also to support child-abuse prevention. DCFS procedures state that missing wards are at great risk of victimization and exploitation and emphasizes timely action to reduce risks to missing wards. This audit found that compliance with procedures was not always documented, there was a lack of dates to determine if reporting was performed in a timely manner, data on missing wards was not always reliable, and the Department had not evaluated the program to search for missing wards.

1. Number of Missing Children: DCFS did not report the number of wards missing in a given year. DCFS used daily lists of missing wards which showed about 230 wards were missing each day. These missing wards were not all runaways but included wards whose caregivers did not know their whereabouts.
   - DCFS estimated that over the two year audit period, there were approximately 26,500 to 29,200 run incidents involving about 2,800 to 3,100 State wards. However, these data sources had limitations.
   - Some wards may be missing for less than a day, while other wards may be missing for weeks or months.
2. Timeliness of Reports to Required Parties: When a ward goes missing, caseworkers need to report to required parties (such as police, National Center for Missing and Exploited Children (NCMEC), guardian, courts) within the time stated in DCFS procedures, typically "immediately" or "within two working days."
   - To determine if wards were reported to required parties in a timely manner, the date when the caseworker learned that a ward was reported missing is required. However, this date was not documented by DCFS.

- Without this date, it is not possible to determine whether caseworkers are meeting established time requirements for reporting missing wards to required parties (such as police, NCMEC, guardian, courts).

3. Compliance: In 47 of 100 cases sampled, caseworkers did not complete the DCFS missing child report within two working days, as required by procedure, but averaged six work days (longest took 98 work days).
   - In 96 of 100 cases sampled, we did not find evidence of supervisors' confirmation that the initial required reports (such as to police, NCMEC, guardian, courts) by caseworkers had been made.
   - When DCFS determines that a ward is high risk (such as age 13 or younger, medical condition, abducted), supervisors are required to receive daily progress reports from caseworkers. In all 20 high-risk cases sampled, we found insufficient documentation for these daily progress reports being made.

Agency management is responsible for planning, organizing, directing, and controlling its programs. Given the noncompliance with procedures, management controls and monitoring need to be strengthened.

REGIONAL OFFICES OF EDUCATION AUDITS

In addition to other duties, the Auditor General has the responsibility for annual audits of the financial statements of all accounts, funds, and other moneys in the care, custody, or control of the regional superintendent of schools of each educational service region in the State. There were a total of 47 Fiscal Year 2013 audits to be conducted: 44 of Regional Offices of Education (ROEs) and 3 of Intermediate Service Centers (ISCs.) Our Office arranged for auditing firms to perform these audits under the general direction and management of the Auditor General's audit managers. The ROE audits released in 2014 contained a total of 77 recommendations for improvement. Most of the recommendations dealt with the Regional Offices not having sufficient internal controls including controls over their financial reporting processes.

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Performance Audits in Progress

CRIMINAL JUSTICE INFORMATION AUTHORITY'S VIOLENCE PREVENTION PROGRAMS

House Resolution 888 directs the Auditor General to conduct a performance audit of the State moneys provided by or through the Illinois Criminal Justice Information Authority to all community based violence prevention programs, the After-School program, and the Chicago Area Project, under contracts or grant agreements in Fiscal Year 2013 and Fiscal Year 2014. The audit is to determine:

- The purposes for which State moneys were provided to the Authority for the community based violence prevention programs, the After-School program, and the Chicago Area Project;
- The nature and extent of monitoring by the Illinois Criminal Justice Information Authority of how the programs used the State-provided moneys and whether certain residential communities of similar crime rates were excluded;
- The actual use of State moneys by the Authority, including the identity of any sub-recipients and the amounts and purposes for employment;
- The number of positions paid through the programs by organizational unit, job title, function, and salary and whether employees completed and filled out appropriate time sheets;
- The number of positions supervised or managed by each management position and whether any of those employees are supervised or managed by more than one management position;
- Whether, through a review of available documentation, the programs have met or are meeting the purposes for which the State moneys were provided, with specific information concerning the programs staffing levels, hiring procedures, and its compensation of employees; and,
- Whether the programs are in compliance with the applicable laws, regulations, contracts, and grant agreements pertaining to the program's receipt of State moneys.

PERFORMANCE AUDIT OF THE COVERING ALL KIDS HEALTH INSURANCE PROGRAM

The Covering ALL KIDS Health Insurance Act was revised by Public Act 95-985 to require that the Auditor General annually perform an audit of the Covering ALL KIDS Health Insurance Program (215 ILCS 170/63). The audit is to include payments for health services covered by the Covering ALL KIDS Health Insurance Program and contracts entered into by the Department in relation to the Program.

REVIEW OF INFORMATION SUBMITTED BY THE RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

Pursuant to Public Act 95-708, the Auditor General is to annually examine required submissions made by the Retirement Plan for Chicago Transit Authority Employees. We are to examine whether the information submitted complies with the requirements of the Act and submit a report of the analysis thereof to the General Assembly. ❖

The Information Systems Audit Program

Computers are an integral part of State government, processing billions of dollars in financial transactions each year and helping control the operations of State agencies. Since financial transactions and confidential information are processed using computers, audits of information system activities are necessary to ensure that computer processing is secure and accurate.

TESTING CONTROLS AND SYSTEMS

The Auditor General's office plans to continue to emphasize the review of information system controls at State agencies. In 2014, we reviewed the following agencies:

Department of Central Management Services, Department of Employment Security, Department of Healthcare and Family Services, Department of Human Services, Department of Labor, Department of Lottery, Department of Public Health, Illinois Board of Higher Education, Illinois Commerce Commission, Illinois Criminal Justice Information Authority, Illinois Emergency Management Agency, Illinois Gaming Board, Illinois State Toll Highway Authority, Illinois Supreme Court, Illinois Workers' Compensation Commission, Northeastern Illinois University, Northern Illinois University, Office of the Comptroller, Office of the Secretary of State, Office of the State Treasurer, Southern Illinois University, and State Board of Elections.

To enhance the control environment, the Auditor General has emphasized the review of networks and the security and control of confidential information. These reviews have focused on the necessity of establishing consistent and effective security policies and programs, performing comprehensive risk assessments, and implementing comprehensive security techniques on all computer systems.

The information systems audit staff also reviewed and tested the systems and procedures at the State's central computer facility operated by the **Department of Central Management Services**. Through its facilities, the Department provided data processing services to approximately 107 user entities throughout State of Illinois governmental agencies. Auditors tested the facility's controls and the application systems used by many State agencies, such as accounting, payroll, inventory, and timekeeping.

We reviewed the suitability of the design and operating effectiveness of controls to meet the criteria for the security, availability, and processing integrity principles set forth in TSP Section 100, *Trust Services Principles, Criteria, and Illustrations for Security, Availability, Processing Integrity, Confidentiality, and Privacy (AICPA, Technical Practice Aids)*.

We found that controls over verifying the identity of an individual prior to resetting their password had not been effectively implemented. Additionally, controls over the monitoring of noncompliance with security policies were not operating effectively. Finally, control over the performance of risk assessments had not been effectively implemented. No other significant issues were identified; however, several control deficiencies were identified and appeared in the body of the report.

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INFO. SYSTEMS

Six agencies – **Department of Agriculture, Department of Human Services, Department of Lottery, Illinois Criminal Justice Information Authority, Labor Relations Board,** and **Northeastern Illinois University** – had not adequately developed or tested recovery plans to provide for continuation of critical computer operations in the event of a disaster. We recommended that these agencies develop and test disaster contingency plans.

Nine agencies – **Department of Human Services, Department of Lottery, Illinois Criminal Justice Information Authority, Illinois Power Agency, Illinois State Toll Highway Authority, Illinois Supreme Court, Northern Illinois University, Southern Illinois University,** and **University of Illinois** – had not established adequate controls for securing their computer resources. We recommended that these agencies evaluate their computer environments and ensure adequate security controls and policies exist to safeguard computer resources.

Seven agencies – **Department of Human Services, Department of Lottery, Department of Public Health, Illinois State University, Illinois Workers' Compensation Commission, Office of the Secretary of State,** and **Southern Illinois University** – had not ensured the adequate security of confidential information. Confidential and personal identifiable information collected and maintained by agencies should be adequately secured at all times. As such, it is an agency's responsibility to ensure adequate procedures for safeguarding all confidential information have been established, effectively communicated to all personnel, and continually enforced. We recommend these agencies assess their procedures for safeguarding confidential information.

Five agencies – **Human Rights Commission, Illinois Arts Council, Illinois Board of Examiners, Illinois Educational Labor Relations Board,** and **Labor Relations Board** – failed to implement the provisions of the Identity Protection Act to draft and approve an identity protection policy. We recommended that these agencies develop and approve an identity protection policy as required in the Act.

The State Employees' Retirement System, General Assembly Retirement System, and **Judges Retirement System** had weaknesses in project management for computer system developments. Projects were not effectively managed to ensure they were properly controlled and documented. We recommended that these agencies develop and implement a project management framework to ensure projects are adequately monitored and documented.

The Department of Central Management Services had security weaknesses in its midrange computing environment. 20 ILCS 405/405-410 mandated the Department to consolidate Information Technology functions of State government. Due to the consolidation, several agencies' IT functions were consolidated into the Department. As a result of the consolidation, the Department became responsible for the security and control of midrange computer systems for consolidated agencies. We recommended the Department ensure standards to secure and control the environment are implemented across the midrange environment.

Agency officials generally concurred with our recommendations concerning these issues.

The Information Systems Audit Division also maintains the computer system environment for the office. ❖

Other Office Responsibilities

Taxpayer Accountability Reports

The Taxpayer Accountability and Budget Stabilization Act (P.A. 96-1496), which was effective January 2011, increased the income tax rates imposed on individuals, trusts, estates, and corporations. The Act also established State spending limitations for Fiscal Years 2012 through 2015, and provided for a reduction in tax rates should those limitations be exceeded. Among its provisions, the Act requires the Auditor General to examine each Public Act authorizing State spending from State general funds and prepare a report indicating:

i. The amount of State spending set forth in the applicable Public Act;

ii. The total amount of State spending authorized by law for the applicable fiscal year as of the date of the report; and

iii. Whether State spending exceeds the State spending limitation.

In the event that the Auditor General determines that State spending has exceeded the State spending limitation in any given fiscal year, the Act provides certain mechanisms and timeframes by which State spending may be reduced to a level that does not exceed the State spending limitation, including by passage of a bill or bills or designation of reserves. Under these circumstances, the Auditor General is required to issue a supplemental report summarizing the actions taken by the General Assembly and Governor, indicating whether the level of State spending has changed since the initial report, and indicating whether State spending still exceeds the State spending limitation. If State spending still exceeds the State spending limitation, then the income tax rates will be reduced as provided by Section 201.5 of the Illinois Income Tax Act.

The Auditor General's Office reviews new Public Acts as they are filed with our Office by the Secretary of State. We also review fund transfer notifications provided by the State Comptroller's Office. The purpose of our reviews is to identify all appropriations, supplemental appropriations, continuing appropriations and statutory transfers constituting "State spending" from "State general funds" (as those terms are defined in P.A. 96-1496) and to issue a report within 30 days as required by the Act.

We issued a total of 18 reports covering Fiscal Year 2014 spending. The State Spending cap in FY14 was $38,305,000,000. Cumulative "state spending" from "general funds" for Fiscal Year 2014 was $37,327,023,097.49 and the balance of the Fiscal Year 2014 State Spending cap remaining was $977,976,902.51.

The State Spending cap in FY15 is $39,072,000,000. Through December 2014, we have issued eight reports for Fiscal Year 2015. At that date, cumulative "state spending" for Fiscal Year 2015 was $33,693,813,378.33 and the balance of the Fiscal Year 2015 State Spending cap remaining was $5,378,186,621.67.

Small Business Contracts Act Fiscal Year 2014 Annual Report

Public Act 97-307 created the Small Business Contract Act, effective August 11, 2011. The Act requires every State agency to establish as a goal "not less than 10% of the total dollar amount of state contracts" for award to small businesses. In addition to developing an annual compliance plan and filing a mid-year report, the Act requires each Chief Procurement Office to file an annual report by March 1 of each year detailing the agency's level of achievement towards the goals specified in the Act over the three most recent fiscal years.

FY12 actual expenditures as of 9/1/12 were $25,146,145. After subtracting out personal services and fringe benefits (which are not subject to competitive procurement), remaining FY12 expenditures were $18,553,727. Applying the 10% small business contracting goal, our FY12 end-of-year goal was $1,855,373.

Actual expenditures for certified small businesses during FY12 (for the period 7/1/11 through 8/31/12) totaled $2,765,046 or 15% of non-salary expenditures. For those purchases with contracts (26), the average contract amount was approximately $106,000. Overall, agency spending with registered small businesses in FY12 was 149% of our goal.

FY13 actual expenditures as of 9/13/13 were

$28,109,438. After subtracting out personal services and fringe benefits (which are not subject to competitive procurement), remaining FY13 expenditures were $20,903,330. Applying the 10% small business contracting goal, our FY13 end-of-year goal was $2,090,333.

Actual expenditures for certified small businesses during FY13 (for the period 7/1/12 through 8/31/13) totaled $3,478,479 or 16.6% of non-salary expenditures. For those purchases with contracts (37), the average contract amount was approximately $94,000. Overall, agency spending with registered small businesses in FY13 was 166% of our goal.

FY14 actual expenditures as of 8/26/14 were $27,677,578. After subtracting out personal services and fringe benefits (which are not subject to competitive procurement), remaining FY14 expenditures were $20,689,752. Applying the 10% small business contracting goal, our FY14 end-of-year goal was $2,068,975.

Actual expenditures for certified small businesses during FY14 (for the period 7/1/13 through 8/25/14) totaled $2,974,012 or 14.4% of non-salary expenditures. For those purchases with contracts (26), the average contract amount was approximately $114,400. Overall, agency spending with registered small businesses in FY14 was 144% of our goal.

ANNUAL AUDIT ADVISORY

Every year, the Auditor General's Office distributes an Illinois Audit Advisory to all State agencies for the purpose of sharing information that may make their operations more efficient and effective, and increase compliance with State law. Copies of this audit advisory are available on our website at: www.auditor.illinois.gov.

COMPTROLLER'S ACCOUNTING SYSTEM REVIEW

The Auditor General is required by law to annually review the Comptroller's Statewide accounting system. This review is accomplished through the Office's audit of the State Comptroller, and by ensuring that all agency audits are performed in accordance with the Auditor General's Audit Guide.

In addition, the Auditor General annually reviews the State Comptroller's pre-audit function. Pre-audit is the primary control over expenditure voucher processing. The State Comptroller pre-audits financial transactions to determine if they are proper and legal.

STATE ACTUARY

Public Act 97-694, effective June 18, 2012, directed the Auditor General to "contract with or hire an actuary to serve as the State Actuary." Among its duties, the State Actuary is required to "review assumptions and valuations prepared by actuaries retained by the boards of trustees of the State-funded retirement systems" and "issue preliminary reports... concerning proposed certifications of required State contributions submitted to the State Actuary by those boards." [30 ILCS 5/2-8.1 (a) and (b)]

Through a competitive proposal process, the Auditor General awarded a contract in August 2012 to Cheiron, a full-service actuarial and consulting firm. Cheiron issued its preliminary reports to the five public retirement systems in December, 2014. As required by statute, the Auditor General submitted a written report to the General Assembly and Governor on December 31, 2014, documenting the initial assumptions and valuations prepared by the actuaries retained by the boards of trustees of the State-funded retirement systems, the State Actuary's preliminary reports, and the responses of each board to the State Actuary's recommendations. The report is available in its entirety on our website at www.auditor.illinois.gov.

PEER REVIEW

Peer review is an external quality control review conducted every three years by audit professionals from across the United States who are selected by the National State Auditors Association. The peer review helps to ensure that our procedures meet all required professional standards, comply with Government Auditing Standards and produce reliable products for the agencies we audit.

The September 2014 peer review of the Auditor General's audit processes resulted in an unmodified opinion report, meaning that our policies, procedures and audit work confirmed to Government Auditing Standards. Passing peer review without modification is the highest opinion. Our prior peer reviews, conducted in 1993, 1996, 1999, 2002, 2005, 2008 and 2011 likewise resulted in clean opinions. Our next peer review is slated for 2017. ❖

Personal Information Protection Act Compliance

The Auditor General's Office has taken measures to comply with the requirements of the Personal Information Protection Act (815 ILCS 530 et seq.). OAG policies on confidentiality were strengthened and reinforced during the year for both employees and contractors. No known breaches of security of system data or written materials containing personal information under the Act occurred during calendar year 2014. ❖

OAG Fraud Hotline

The Auditor General's Office is required by law [30 ILCS 5/2-15, added by P.A. 97-261, effective August 5, 2011] to operate a toll-free fraud hotline for the public to report allegations of fraud in the executive branch of State government. The hotline went into operation at the beginning of January 2012.

The toll free number is 1-855-217-1895. The hotline is available 24 hours a day, 7 days a week. Live operators are generally available Monday-Friday from 8:30 a.m. to 4:30 p.m. (CST).

In addition to calling the toll-free number, other options have been established for the public to report allegations of fraud. The public may also:

- Complete the Fraud Reporting Form on-line located on the OAG web-site (www.auditor.illinois.gov);
- E-mail a description of the allegation to: OAG.Hotline@illinois.gov;
- Contact the Auditor General via telecommunications device for the disabled (TTY) at 1-888-261-2887; or
- Send a written report via the U.S. Postal Service to the following address:
  Fraud Hotline, Auditor General's Office,
  740 E. Ash St., Springfield, IL 62703.

Individuals reporting alleged fraud to the hotline may remain anonymous. However, if the individual chooses not to be identified, the Office's ability to follow up on the allegation may be limited.

More information regarding the reporting of fraud allegations can be found at the Fraud Hotline section of the OAG website. Jurisdiction of the Fraud Hotline does not include the legislative or judicial branches of government or units of local government. Other resources the public may use to report fraud if it is outside of the jurisdiction of the OAG can also be found on the website. If the Auditor General's Office does not have jurisdiction over the allegation, our hotline manager will try to direct the caller to another State, federal, or local agency that may be able to help.

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Continuing Professional Education and Training Requirements

The U.S. Government Accountability Office established Government Auditing Standards (the Yellow Book) for performing high-quality audit work with competence, integrity, objectivity, and independence to provide accountability and to help improve government operations and services.

The general standard relating to competence specifies that auditors assigned to perform the audit must collectively possess the adequate professional competence needed to address the audit objectives and perform the work in accordance with Generally Accepted Government Auditing Standards (GAGAS).

The Yellow Book also requires that auditors performing work in accordance with GAGAS, including planning, directing, and performing audit procedures or reporting on an audit, should maintain their professional competence through continuing professional education (CPE).

Specifically, each auditor performing work in accordance with GAGAS should complete, every 2 years, at least 24 hours of CPE that directly relates to government auditing, the government environment, or the specific or unique environment in which the audited entity operates.

Auditors who are involved in any amount of planning, directing, or reporting on GAGAS audits and auditors who are not involved in those activities but charge 20 percent or more of their time annually to GAGAS audits should also obtain at least an additional 56 hours of CPE (for a total of 80 hours of CPE in every 2-year period) that enhances the auditor's professional proficiency to perform audits. Auditors should complete at least 20 hours of CPE in each year of the 2-year period. Auditors hired or initially assigned to GAGAS audits after the beginning of the 2-year CPE period should complete a prorated number of CPE hours.

The most recently completed 2-year period for CPE requirements as measured by the Office of the Auditor General was January 1, 2013, through December 31, 2014. All auditors, audit directors, and information specialists required to meet the CPE standards were in compliance for this 2-year period.

Additionally, the Office of the Auditor General is a registered sponsor with the Illinois Department of Financial and Professional Regulation, and complies with the rules of the Illinois Public Accounting Act.

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TRAINING

Claims Due the State and Methods of Collection

As required by law [30 ILCS 205/2 (k)], the Office of the Auditor General is reporting that there were no outstanding claims administered by the Office that were due and payable to the State as of December 31, 2014. The accounts receivables generated by our Office primarily represent billings to other State agencies for reimbursement of audit costs. Reimbursements for federal single audits are deposited into the General Revenue Fund. Reimbursements for audits not associated with federal single audits are deposited or transferred to the Audit Expense Fund. If normal collection methods fail, we request assistance from the Office of the Attorney General. To date we have never used the services of a private collection agency.

Summary of Appropriations and Expenditures

The Office of the Auditor General was funded by appropriations from the General Revenue Fund and Audit Expense Fund for Fiscal Year 2014 (July 1, 2013 to August 31, 2014, including lapse period).

FY 2014 - FINAL

	Appropriation	*Expended*	*Balance*
GRF Operations:			
Personal Services	$5,592,521	$5,592,470	$51
Social Security	$402,698	$402,646	$52
Contractual Services	$602,546	$602,217	$329
Commodities	$7,000	$5,410	$1,590
Paper and Printing	$7,500	$6,776	$724
Equipment	$53,435	$53,103	$332
EDP	$74,300	$74,300	$0
Telecommunications	$63,000	$62,011	$989
Operation of Automotive Eqpt..	$4,000	$3,150	$850
GRF Operations Total	**$6,807,000**	**$6,802,083**	**$4,917**
Audit Expense Fund:			
Audits/Studies/Invest.	**$22,109,989**	**$20,875,526**	**$1,234,463**

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Financial Audits and Compliance Examinations

FOR THE PERIOD(S) ENDING
JANUARY 24, 2013, JUNE 30, 2013, SEPTEMBER 30, 2013 AND DECEMBER 31, 2013.
(Released on or before December 31, 2014)

F = Financial Audits   C= Compliance Attestation Examinations   S = Single Audits

AGENCY	*F*	*C*	*S*	*DATE RELEASED*
Architect of the Capitol		X		01-29-14
Arts Council		X		01-23-14
Arts Council Foundation	X	X		01-23-14
Attorney Registration and Disciplinary Commission *(12/31/13)*	X	X		06-19-14
Board of Admissions to the Bar *(9/30/13)*	X	X		05-15-14
Board of Examiners		X		04-22-14
Board of Higher Education		X		03-12-14
Capital Development Board	X			01-16-14
Chicago State University	X			01-16-14
Chicago State University		X	X	02-11-14
Civil Service Commission		X		12-05-13
Commission on Government Forecasting and Accountability		X		01-23-14
Comptroller - Fiscal Officer Responsibilities	X	X		12-19-13
Court of Claims		X		02-06-14
Criminal Justice Information Authority & IL Integrated - Justice Information System		X		02-20-14
DCMS - Deferred Compensation Plan - *(12/31/13)*	X			06-26-14
Deaf and Hard of Hearing Commission		X		01-29-14
Department of Agriculture		X		03-13-14
Department of Central Management Services	X	X		04-22-14
Department of Central Management Services - Local Government Health Insurance Reserve Fund	X			04-22-14
Department of Central Management Services - Teacher Health Insurance Security Fund	X			04-22-14
Department of Central Management Services - Community College Health Insurance Security Fund	X			04-22-14
Department of Employment Security	X	X		03-05-14
Department of Healthcare and Family Services	X	X		05-29-14
Department of Human Rights		X		02-06-14
Department of Human Services	X	X		05-29-14
Department of Labor		X		04-22-14
Department of Natural Resources (Capital Asset Account)	X			01-29-14
Department of Public Health		X		05-22-14
Department of Revenue	X			03-20-14
Department of Transportation	X			01-23-14
Drycleaner Environmental Response Trust Fund Council		X		05-22-14
DuQuoin State Fair *(09/30/13)*		X		06-26-14
Eastern Illinois University	X			12-19-13
Eastern Illinois University		X	X	03-26-14
Emergency Management Agency		X		03-05-14
Environmental Protection Agency (Water Revolving Fund)	X			01-29-14
Executive Ethics Commission		X		05-15-14

Financial Audits and Compliance Examinations (cont.)

AGENCY	*F*	*C*	*S*	*DATE RELEASED*
Executive Office of Inspector General		X		03-26-14
General Assembly - Senate		X		02-11-14
General Assembly - House		X		02-11-14
General Assembly Retirement System	X			01-08-14
General Assembly Retirement System		X		03-20-14
Governor's Office of Management and Budget		X		03-20-14
Governors State University	X			02-06-14
Governors State University		X	X	03-26-14
Guardianship and Advocacy Commission		X		03-20-14
Human Rights Commission		X		03-20-14
Illinois Commerce Commission		X		03-26-14
Illinois Commerce Commission - WETSA		X		12-05-13
Illinois Conservation Foundation	X	X		04-22-14
Illinois Educational Labor Relations Board		X		01-23-14
Illinois Finance Authority	X			01-29-14
Illinois Finance Authority		X		05-22-14
Illinois Gaming Board	X			03-13-14
Illinois Grain Insurance Corporation	X	X		02-20-14
Illinois Housing Development Authority	X			11-21-13
Illinois Housing Development Authority		X	X	03-20-14
Illinois Labor Relations Board		X		03-05-14
Illinois Math and Science Academy		X		01-29-14
Illinois Math and Science Academy Fund	X	X		01-23-14
Illinois Council on Developmental Disabilities		X		01-29-14
Illinois Power Agency	X	X		07-31-14
Illinois State Fair *(09/30/13)*		X		06-26-14
Illinois State University	X			11-14-13
Illinois State University		X	X	03-26-14
Illinois Student Assistance Commission (Including Golden Apple Scholars of IL)	X			02-06-14
Illinois Student Assistance Commission, IDAPP	X			02-06-14
Illinois Student Assistance Commission, Prepaid Tuition	X			02-06-14
Illinois Supreme Court		X		01-23-14
Illinois Violence Prevention Authority – Closeout *(07/01/12 to 01/24/13)*		X		02-25-14
Judges' Retirement System	X			01-08-14
Judges' Retirement System		X		03-20-14
Legislative Audit Commission		X		12-19-13
Legislative Printing Unit		X		12-12-13
Legislative Reference Bureau		X		01-16-14
Legislative Research Unit		X		01-16-14
Literacy Foundation	X	X		03-20-14
Lottery	X	X		07-24-14
Mid Illinois Medical District		X		12-12-13
Metro. Pier and Exposition Authority		X		04-22-14
Northeastern Illinois University	X			12-19-13
Northeastern Illinois University		X	X	03-26-14

FINANCIAL AUDITS AND COMPLIANCE EXAMINATIONS (CONT.)

AGENCY	*F*	*C*	*S*	*DATE RELEASED*
Northern Illinois University	X			12-19-13
Northern Illinois University		X	X	03-20-14
Office of the Governor		X		02-20-14
Office of the Lieutenant Governor		X		02-20-14
Secretary of State	X	X		03-20-14
Southern Illinois University	X			01-23-14
Southern Illinois University		X	X	05-22-14
State Board of Education	X			01-16-14
State Board of Elections		X		02-11-14
State Board of Investments	X			12-19-13
State Board of Investments		X		01-29-14
State Chartered School Commission – Closeout *(07-01-12 – 01-24-13)*		X		07-31-14
State Employees' Retirement System	X			01-08-14
State Employees' Retirement System		X		03-20-14
State Universities' Retirement System	X			01-08-14
State Universities' Retirement System		X		02-11-14
Statewide Financial Audit	X			03-12-14
Statewide Single Audit - Federal Funds			X	04-15-14
Supreme Court Historic Preservation Commission		X		12-19-13
Teachers' Retirement System	X			01-08-14
Teachers' Retirement System		X		02-20-14
Teachers' Pension and Retirement System - Chicago		X		12-12-13
Toll Highway Authority (12/31/13)	X	X		07-10-14
Treasurer - College Savings Plan	X			01-23-14
Treasurer - Fiscal Officer Responsibilities	X	X		01-16-14
Treasurer - Illinois Funds	X			01-23-14
Treasurer - Non-Fiscal Officer		X		04-22-14
Universities Civil Service Commission		X		12-19-13
University of Illinois	X			01-16-14
University of Illinois		X	X	05-15-14
Upper River Valley Development Authority		X		01-29-14
Western Illinois University	X			01-16-14
Western Illinois University		X	X	03-26-14
Workers' Compensation Commission	X	X		02-20-14

Regional Office of Education and Intermediate Service Center Financial Audits

FOR THE PERIOD ENDING JUNE 30, 2013
F = Financial Audits   S = Single Audits

AGENCY	*F*	*S*	*DATE RELEASED*
ROE #1: Adams, Pike Counties	x		3/20/2014
ROE #2: Alexander, Johnson, Massac, Pulaski, Union Counties	x	x	5/15/2014
ROE #3: Bond, Fayette, Effingham Counties	x		4/22/2014
ROE #4: Boone, Winnebago Counties	x	x	3/20/2014
ROE #8: Carroll, Jo Daviess, Stephenson Counties	x		4/15/2014
ROE #9: Champaign, Ford Counties	x	x	3/5/2014
ROE #10: Christian, Montgomery Counties	x		3/26/2014
ROE #11: Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, Shelby Counties	x		3/12/2014
ROE #12: Clay, Crawford, Jasper, Lawrence, Richland Counties	x		2/20/2014
ROE #13: Clinton, Marion, Washington Counties	x	x	5/29/2014
ROE #16: DeKalb County	x		9/25/2014
ROE #17: Dewitt, Livingston, McLean Counties	x		7/10/2014
ROE #19: DuPage County			*
ROE #20: Edwards, Gallatin, Hardin, Pope, Saline, Wabash, Wayne, White Counties	x		7/31/2014
ROE #21: Franklin, Williamson Counties	x	x	1/23/2014
ROE #22: Fulton, Schuyler Counties	x		4/15/2014
ROE #24: Grundy, Kendall Counties	x		7/10/2014
ROE #25: Hamilton, Jefferson Counties	x		5/29/2014
ROE #26: Hancock, McDonough Counties	x	x	2/20/2014
ROE #27: Henderson, Mercer, Warren Counties	x		6/19/2014
ROE #28: Bureau, Henry, Stark Counties	x	x	7/24/2014
ROE #30: Jackson, Perry Counties	x		7/10/2014
ROE #31: Kane County	x	x	4/15/2014
ROE #32: Iroquois, Kankakee Counties	x	x	4/15/2014
ROE #33: Knox County	x		7/10/2014
ROE #34: Lake County	x	x	5/15/2014
ROE #35: LaSalle County	x		5/15/2014
ROE #38: Logan, Mason, Menard Counties	x		7/24/2014
ROE #39: Macon, Piatt Counties	x		2/11/2014
ROE #40: Calhoun, Greene, Jersey, Macoupin Counties	x		7/10/2014
ROE #41: Madison County	x		7/10/2014
ROE #43: Marshall, Putnam, Woodford Counties	x		7/10/2014
ROE #44: McHenry County	x		6/26/2014
ROE #45: Monroe, Randolph Counties	x	x	3/26/2014
ROE #46: Brown, Cass, Morgan, Scott Counties	x		5/29/2014
ROE #47: Lee, Ogle Counties	x	x	7/10/2014
ROE #48: Peoria County	x	x	1/16/2014
ROE #49: Rock Island County	x	x	5/29/2014
ROE #50: St. Clair County	x	x	2/11/2014
ROE #51: Sangamon County	x		4/15/2014
ROE #53: Tazewell County	x		5/29/2014
ROE #54: Vermilion County	x		1/29/2014
ROE #55: Whiteside County	x		8/27/2014
ROE #56: Will County	x	x	4/15/2014
Intermediate Service Center #1: North Cook	x		3/26/2014
Intermediate Service Center #2: West Cook			*
Intermediate Service Center #4: South Cook	x	x	3/26/2014

** Report not released as of December 31, 2014.*

Performance Audits, Inquiries, & Special Reports

Audits in Progress

- Criminal Justice Information Authority's Violence Prevention Programs
- Covering ALL KIDS Health Insurance Program

12/14 Department of Children and Family Services' Search for Missing Children

12/14 Review of Information Submitted by the Chicago Transit Authority's Retiree Health Care Trust

11/14 Review of Information Submitted by the Retirement Plan for Chicago Transit Authority Employees

11/14 Village of Robbins Use of Municipal Economic Development Funds

8/14 Management Audit of the State's Procurement of Inmate Telephone Service Vendors

8/14 Program Audit of the Covering All Kids Health Insurance Program

7/14 Review of the Expedited Long Term Care Eligibility Determination and Enrollment System

5/14 Performance Audit of the Center for Comprehensive Health Planning and the Health Facilities and Services Review Board

4/14 Management Audit of the Illinois Law Enforcement Training and Standards Board's Use of Moneys Appropriated from the Death Certificate Surcharge Fund

3/14 Review of the Department on Aging's Community Care Program Reform Implementation Report

2/14 Performance Audit of the State Moneys Provided to the Illinois Violence Prevention Authority for the Neighborhood Recovery Initiative

1/14 Village of Robbins Use of Municipal Economic Development Funds

12/13 Review of Information Submitted by the Chicago Transit Authority's Retiree Health Care Trust

12/13 The Covering ALL KIDS Health Insurance Program

11/13 Review of Information Submitted by the Retirement Plan for Chicago Transit Authority Employees

10/13 Management Audit of the Department of Central Management Services' Administration of the State's Space Utilization Program

7/13 Management Audit of the Illinois International Port District

5/13 Management Audit of Illinois Public Universities

5/13 Management Audit of Road Fund Revenue and Expenditures

4/13 Management Audit of Management Positions in the Executive Branch

4/13 Review of the Department of Healthcare and Family Services' SMART Act Implementation Report

12/12 The Village of Robbins' Use of Municipal Economic Development Funds

12/12 Review of Information Submitted by the Chicago Transit Authority's Retiree Health Care Trust

11/12 Review of Information Submitted by the Retirement Plan for Chicago Transit Authority Employees

10/12 The Covering ALL KIDS Health Insurance Program

5/12 College Illinois! Prepaid Tuition Program

5/12 Department of Transportation's Implementation of Life-Cycle Cost Analysis

4/12 The Workers' Compensation Program for State Employees

4/12 Illinois State Police's Administration of the Firearm Owners Identification Card Act

3/12 State's Procurement of Health Insurance Vendors

3/12 The Village of Robbins' Use of Municipal Economic Development Funds

1/12 Certain Financial and Business Processes of the University of Illinois Board of Trustees

12/11 Review of Information Submitted by the Chicago Transit Authority's Retiree Health Care Trust

11/11 Review of Information Submitted by the Retirement Plan for Chicago Transit Authority Employees

11/11 Department of Central Management Service's Operation of the State's Vehicle Fleet

9/11 Management Audit of the State's Boards and Commissions

4/11 Program Audit of the Covering ALL KIDS Health Insurance Program

2/11 State's Financial Reporting System

12/10 Village of Robbins' Use of Municipal Economic Development Fund

12/10 Annual Review of Information Submitted by the Chicago Transit Authority's Retiree Health Care Trust

Performance Audits, Inquiries, & Special Reports (cont.)

- 12/10 Department of Human Services – Office of the Inspector General
- 12/10 Annual Review of Information Submitted by the Chicago Transit Authority’s Employee Retirement Plan
- 6/10 Exemptions Granted by the Civil Service Commission
- 5/10 Covering All Kids Health Insurance Program
- 1/10 Village of Robbins’ Use of Municipal Economic Development Fund
- 12/09 Annual Review of Information Submitted by the Chicago Transit Authority’s Retiree Health Care Trust
- 12/09 Regional Transportation Authority Follow Up
- 11/09 Annual Review of Information Submitted by the Chicago Transit Authority’s Employee Retirement Plan
- 9/09 Medical Assistance Program – Long Term Care Eligibility Determination
- 7/09 Grant to the Loop Lab School
- 6/09 Department of Central Management Services’ 2008 Joint Procurements of Bulk Rock Salt
- 5/09 Funding Provided by State Agencies to Heartland Human Services
- 3/09 Illinois State Police’s Division of Forensic Services
- 3/09 Multi-Year Beverage Vending and Pouring Contract
- 2/09 Coal Development Fund
- 12/08 Annual Review of Information Submitted by the Chicago Transit Authority’s Employee Retirement Plan and Retiree Health Care Trust
- 12/08 Department of Human Services Office of the Inspector General
- 11/08 Village of Robbins’ Use of Municipal Economic Development Funds
- 7/08 Review of Documents Related to the Proposed Sale of Bonds for the Chicago Transit Authority Retirement Plan and Retiree Health Care Trust
- 5/08 The Department of Healthcare and Family Services’ Prompt Payment Act Compliance and Medicaid Payment Process
- 2/08 Pilsen-Little Village Community Mental Health Center, Inc.
- 10/07 Inventory of State Programs
- 8/07 Funding Provided by or through the State of Illinois to the Chicago Project for Violence Prevention for the CeaseFire Program
- 8/07 Payments to the Illinois Hispanic Chamber of Commerce by State Agencies
- 7/07 Village of Robbins’ Use of Municipal Economic Development Funds
- 4/07 Rend Lake Conserv. District Follow-up Report
- 3/07 Mass Transit Agencies of Northeastern Illinois: RTA, CTA, Metra, and Pace
- 1/07 Department of Transportation’s Aeronautics Operations
- 12/06 Department of Human Services’ Office of the Inspector General
- 9/06 Flu Vaccine Procurement and I-SaveRx Program
- 9/06 Village of Robbins’ Use of Municipal Economic Development Funds
- 8/06 Department of Financial and Professional Regulation’s Disciplining of Physicians
- 6/06 Department of Central Management Services’ Business Enterprise Program and Department of Transportation’s Disadvantaged Business Enterprise Program
- 3/06 Department of Transportation’s Traffic Safety Programs
- 2/06 Department of Commerce and Economic Opportunity’s Administration of Its Economic Development Programs
- 2/06 State Employee Travel - Modes of Transportation between Chicago and: Bloomington, Carbondale, Champaign-Urbana, Macomb, and Springfield
- 7/05 Village of Robbins’ Use of Municipal Economic Development Funds
- 5/05 The Illinois School District Liquid Asset Fund Plus
- 12/04 Department of Human Services’ Office of the Inspector General
- 9/04 Rend Lake Conservancy District
- 9/04 Illinois Aquaculture Development Fund
- 8/04 Village of Robbins’ Use of Municipal Economic Development Funds
- 2/04 Department of Central Management Services’ Administration of the State’s Space Utilization Program
- 12/03 Regulation of Grain Dealers and the Grain Insurance Fund
- 11/03 Grade Crossing Protection Fund
- 9/03 Village of Robbins’ Use of Municipal Economic Development Funds
- 5/03 Illinois State Toll Highway Authority
- 4/03 Teachers Academy for Mathematics and Science

Performance Audits, Inquiries, & Special Reports (cont.)

1/03	Group Workers Compensation Self-Insured Pools
12/02	DHS Office of the Inspector General
8/02	Village of Robbins' Use of Municipal Economic Development funds
8/02	Department of Human Services' Early Intervention Program
7/02	Department of Public Aid's KidCare Program
4/02	Department of Human Services Early Intervention Program Follow-up
4/02	States Construction Contracting Methods
1/02	Agency Use of Internet User Technology
10/01	EPA's Vehicle Emissions Testing Program
9/01	Illinois Health Facilities Planning Board
8/01	Board of Education and Other State Agencies Providing Funding to Regional Offices of Education
6/01	Village of Robbins' Use of Municipal Economic Development Funds
5/01	Tuition & Fee Waivers Follow-up
12/00	DHS Office of the Inspector General
6/00	Municipal Economic Development Fund Distributions: Village of Robbins
3/00	Department of Public Aid: Child Support State Disbursement Unit
11/99	Illinois Math & Science Academy
9/99	Department of Public Aid's Contracts with Delta Dental
8/99	Pilsen-Little Village Community Mental Health Center
7/99	Medicaid Home Health Care & Regulation of Home Health Agencies
6/99	State Fire Marshal's Fire Investigations
5/99	Illinois Health & Human Service Providers
12/98	DHS: Inspector General
9/98	Comptroller's Offset System
6/98	Nursing Home Prescreening
5/98	IDOT's Road Construction Program
4/98	Tuition & Fee Waivers
5/97	Professional Regulation – Physicians Regulated Under the Medical Practices Act
12/96	DMHDD – Office of the Inspector General
6/96	IHSA – Site Selection for Boys Basketball Finals
4/96	DMHDD – Reporting of Resident Abuse & Neglect
5/95	Summer Unemployment at State Universities
2/95	Laws Considered Obsolete
1/95	Public Aid's Child Support Program
12/94	Office of the Inspector General
6/94	Toll Highway: Helicopters
6/94	DMHDD: Abuse & Neglect
5/94	Correctional Industries
5/94	Central Management Services: Telecommunications
3/94	Collection of Money from Circuit Clerks
1/94	State Housing Benefits
5/93	Public Aid: Property Transfers
4/93	Office of the Inspector General
4/93	Early Intervention Services System
4/93	User Fees
11/92	DMHDD: Abuse & Neglect
7/92	St. Anne's Lease
6/92	State Police I-SEARCH Program
5/92	Privatizing Weigh Stations
4/92	Henry Horner's Children's Care
3/92	Governor's Council on Health & Physical Fitness
3/92	Case Management Practices
1/92	State Legal Services
11/91	State Regulation of Insurer Solvency
8/91	Higher Education "Systems of Systems"
7/91	Eastern Illinois University Coal Conversion Project
6/91	Special Analysis: Build Illinois
5/91	Availability of Obstetric Care
5/91	Collection of Sales & Taxes Receivable
5/91	Property Forfeited Under the Illinois Controlled Substances Act
3/91	Illinois Competitive Access & Reimbursement Equity Program
3/91	Nutritional Services Paid by the Department of Children & Family Services
2/91	Illinois Multi-Year Fixed Contractual Obligations
2/91	Administrative Citations: Environmental Protection Agency
10/90	Project Chance Evaluation Contract
10/90	Frequent Flyer Programs
8/90	Parents Too Soon Program
7/90	State University Tuition & Fee Policies & Practices
7/90	Debt Collection Practices of Illinois & Other States
5/90	DMHDD: Abuse & Neglect

Performance Audits, Inquiries, & Special Reports (cont.)

4/90	Veterans' Affairs Field Office Closures
3/90	Illinois Competitive Access & Reimbursement Equity Program
1/90	Public Aid's Delta Dental
12/89	Regional Transportation Authority
11/89	Illinois Sports Facilities Authority & the Chicago White Sox
11/89	Five State Retirement Systems' Financial Status
10/89	Feasibility of Consolidating State Revenue Bond Agencies
7/89	Commerce & Community Affairs' Economic Development Programs
5/89	EPA's Hazardous Waste Mgmt. Program
4/89	Selected Auditor Comparability: Jobs & Pay
2/89	AIDS Testing: Statutory Requirements & Costs
1/89	Public Univ. Instructional Costs
1/89	Vehicle Emissions Testing Program
10/88	U of I Athletic Association
8/88	JTPA
7/88	Audit Status of Circuit Courts
6/88	Dept. of Revenue - Corporate Income Tax
5/88	State Program of Internal Auditing
7/87	Computer Acquisition & Use in Higher Education
6/87	Chicago Housing Authority
6/87	Cash Management Practices
4/87	State Laboratory Services
4/87	U of I Hospital & Affiliated Clinics
4/87	Chicago's Use of State Appropriated Funds
10/86	State Pensions Assets Investment Performance
10/86	CMS – Lottery Building Lease
10/86	Property Management Problems – Mental Health Centers
5/86	Illinois Preferential Procurement Programs
4/86	State Toxicology Lab
4/86	Legislative Printing Unit
4/86	Engineering Programs in Illinois – NIU
3/86	Claims & Accounts Receivable
3/86	Capital Development Board:Construction of the State of Illinois Center
2/86	Illinois Commerce Commission
2/86	Advisory Boards & Commissions
11/85	Data Security Practices
11/85	Hazardous Waste Management
9/85	Management & Collection of Claims Receivable
3/85	Perinatal Medical Care
10/84	State Employee Travel
1 0/84	Feasibility Study: Rock Island Co. Facility
9/84	Employment Security Unemployment Insurance
8/84	Salaried Non-working Time Benefits
8/84	Responsible Relative Requirements
5/84	Board of Investment: Five State Retirement Systems
10/83	Commerce Comm.: Management Audits of Public Utilities
5/83	Contractual Legal Services
4/83	Industrial Commission
12/82	Procurement Policies & Procedures
7/82	Criminal History Components
4/82	Financing of Improvements of Rock Island State Park
1981	Chicago Road Fund
12/81	DMHDD: Region 2
11/81	Procurement of Real Property
10/81	Registration & Education: Investigation & Enforcement Functions
1/81	Licensing & Regulation of Bingo
1/81	Chicago Bd. of Education
12/80	Nursing Home Reimbursement System
12/80	DCFS Day Care Activities
11/80	Dept. of Personnel Management
10/80	Public Aid's Local Office Management
9/80	Licensing of Grain Dealers
7/80	Illinois Fair Employment Practices Commission
6/80	Secretary of State Vending Services
5/80	Coastal Zone Management
1/80	Court of Claims
1/80	Cook Co. Health & Hospitals