# STATE OF ILLINOIS
# DEPARTMENT ON AGING
# STATE COMPLIANCE EXAMINATION
# For the Two Years Ended June 30, 2024

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

**STATE OF ILLINOIS**
**DEPARTMENT ON AGING**
**STATE COMPLIANCE EXAMINATION**
**For the Two Years Ended June 30, 2024**

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STATE OF ILLINOIS
**DEPARTMENT ON AGING**
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024

## DEPARTMENT OFFICIALS

| | |
|---|---|
| Director (5/30/2025 to Present) | Mary Killough |
| Director (Acting) (3/18/2024 to 5/29/2025) | Mary Killough |
| Director (Acting) (3/1/2024 to 3/17/2024) | Selma D'Souza |
| Director (Acting) (1/1/2024 to 2/29/2024) | Becky Dragoo, MSN RN |
| Director (7/1/2022 to 12/31/2023) | Paula A. Basta |
| Deputy Director (1/16/2023 to Present) | Becky Dragoo, MSN RN |
| Deputy Director (7/1/2022 to 1/31/2023) | Lora McCurdy |
| Chief of Staff (7/16/2024 to Present) | Elizabeth Vogt |
| Chief of Staff (7/1/2022 to 7/15/2024) | Selma D'Souza |
| General Legal Counsel | Rhonda Armstead |
| Chief Fiscal Officer | Sarah Harris |
| Deputy Chief Financial Officer & Chief, Bureau of Business Service | Theresa McKeon, CPA |
| Chief Internal Auditor (2/1/2024 to Present) | Ellen Jennings Fairfield, CPA, CIA, CISA |
| Chief Internal Auditor (12/01/2023 to 1/31/2024) | Vacant |
| Chief Internal Auditor (7/1/2022 to 11/30/2023) | Michael Sartorius |

## DEPARTMENT OFFICES

The Department offices are located at:

One Natural Resources Way
Suite 100
Springfield, Illinois 62702

555 W. Monroe – 15th Floor
Chicago, Illinois, 60661

Docusign Envelope ID: 14E7A3DC-DA10-4523-8FFB-BD17494EC9E5

Illinois Department on Aging
JB Pritzker, Governor
Mary Killough, Director
One Natural Resources Way, Suite 100, Springfield, Illinois 62702-1271
Phone: 800-252-8966 • 711 (TRS) • Fax 217-785-4477

# MANAGEMENT ASSERTION LETTER

July 3, 2025

Maharlika PLLC
Certified Public Accountants
111 West Jackson Blvd. Suite 1700
Chicago, Illinois 60604

Maharlika PLLC:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Department on Aging (Department). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Department's compliance with the following specified requirements during the two-year period ended June 30, 2024. Based on this evaluation, we assert that during the years ended June 30, 2023, and June 30, 2024, the Department has materially complied with the specified requirements listed below.

A. The Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.

B. The Department has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.

C. The Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

D. State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

E. Money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

State of Illinois, Department on Aging

SIGNED ORIGINAL ON FILE
Ms. Mary Killough, Director

SIGNED ORIGINAL ON FILE
Ms. Rhonda Armstead, General Counsel

SIGNED ORIGINAL ON FILE
Ms. Sarah Harris, Chief Fiscal Officer



The Illinois Department on Aging does not discriminate in admission to programs or treatment of employment in programs or activities in compliance with appropriate State and Federal statutes. If you feel you have been discriminated against, call the Senior HelpLine at 1-800-252-8966; 711 (TRS).

**STATE OF ILLINOIS**
**DEPARTMENT ON AGING**
**STATE COMPLIANCE EXAMINATION**
**For the Two Years Ended June 30, 2024**

## STATE COMPLIANCE REPORT

## SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide.*

## ACCOUNTANT'S REPORT

The Independent Accountant's Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

## SUMMARY OF FINDINGS

| **Number of** | **Current Report** | **Prior Report** |
|---|---|---|
| Findings | 19 | 27 |
| Repeated Findings | 16 | 18 |
| Prior Recommendations Implemented or Not Repeated | 11 | 3 |

## SCHEDULE OF FINDINGS

| Item No. | Page | Last/First Reported | Description | Finding Type |
|---|---|---|---|---|
| | | | **Current Findings** | |
| 2024-001 | 11 | New | Inadequate Controls over Reporting | Material Weakness and Material Noncompliance |
| 2024-002 | 16 | New | Incorrect Application of New Reimbursement Rates | Material Weakness and Material Noncompliance |
| 2024-003 | 17 | 2022/2016 | Inadequate Monitoring of Homemaker Service Providers | Significant Deficiency and Noncompliance |
| 2024-004 | 18 | 2022/2022 | Noncompliance with Adult Protective Service Act | Material Weakness and Material Noncompliance |
| 2024-005 | 19 | 2022/2012 | Inadequate Controls Over Personal Services | Material Weakness and Material Noncompliance |

## STATE COMPLIANCE REPORT

## SCHEDULE OF FINDINGS (continued)

| Item No. | Page | Last/First Reported | Description | Finding Type |
|---|---|---|---|---|
| | | | **Current Findings** | |
| 2024-006 | 23 | 2022/2022 | Failure to Comply with Intergovernmental Agreement Responsibilities Regarding the Administration of the Home and Community Based Services Waivers for Persons Who Are Elderly | Material Weakness and Material Noncompliance |
| 2024-007 | 26 | New | Inadequate Controls over Travel Vouchers | Material Weakness and Material Noncompliance |
| 2024-008 | 28 | 2022/2018 | Voucher Processing Weakness | Material Weakness and Material Noncompliance |
| 2024-009 | 30 | 2022/2016 | Inadequate Controls over State Property | Material Weakness and Material Noncompliance |
| 2024-010 | 34 | 2022/2022 | Inadequate Controls of Access to Applications and Data | Material Weakness and Material Noncompliance |
| 2024-011 | 36 | 2022/2020 | Inadequate Controls over Change Management | Material Weakness and Material Noncompliance |
| 2024-012 | 38 | 2022/2020 | Weaknesses in Cybersecurity Programs and Practices | Material Weakness and Material Noncompliance |
| 2024-013 | 42 | 2022/2018 | Failure to Maintain Accounts Receivable Records | Material Weakness and Material Noncompliance |
| 2024-014 | 44 | 2022/2020 | Inadequate Controls over Preparation of Monthly Reconciliations | Material Weakness and Material Noncompliance |
| 2024-015 | 46 | 2022/2016 | Failure to Make a Grant to Study Employment Plan | Significant Deficiency and Noncompliance |

## STATE COMPLIANCE REPORT

## SCHEDULE OF FINDINGS (continued)

| Item No. | Page | Last/First Reported | Description | Finding Type |
|---|---|---|---|---|
| | | | **Current Findings** | |
| 2024-016 | 47 | 2022/2006 | Failure to Timely Submit and Post Reports | Significant Deficiency and Noncompliance |
| 2024-017 | 49 | 2022/2022 | Failure to Establish a Prevention of Unnecessary Institutionalization Grant and Loan Program | Significant Deficiency and Noncompliance |
| 2024-018 | 51 | 2022/2022 | Noncompliance with Hospital Licensing Act | Significant Deficiency and Noncompliance |
| 2024-019 | 52 | 2022/2020 | Weaknesses in Disaster Contingency Planning and Testing | Significant Deficiency and Noncompliance |
| | | | **Prior Findings Not Repeated** | |
| A | 54 | 2022/2010 | Inadequate Controls and Monitoring Over Enhanced Rate Payments Made to Community Care Program Service Providers | |
| B | 54 | 2022/2020 | Indirect Cost Reimbursements Not Claimed for All Federal Grants | |
| C | 54 | 2022/2022 | Failure to Develop a Plan of Enforcement Relating to the Home Care Consumer Bill of Rights | |
| D | 55 | 2022/2020 | Inaccurate Debt Transparency Reporting | |
| E | 55 | 2022/2022 | Electronic Devices Weakness | |
| F | 55 | 2022/2022 | Inadequate Internal Controls over Vehicle Maintenance | |

## STATE COMPLIANCE REPORT

## SCHEDULE OF FINDINGS (continued)

| Item No. | Page | Last/First Reported | Description |
|---|---|---|---|
| | | | **Prior Findings Not Repeated** |
| G | 56 | 2022/2018 | Failure to Develop a Program to Identify the Special Needs and Problems of Minority Senior Citizens |
| H | 56 | 2022/2016 | Failure to Share Data with the State Board of Elections |
| I | 57 | 2022/2014 | Noncompliance with the Fiscal Control and Internal Auditing Act |
| J | 57 | 2022/2020 | Failure to Report on Care Coordination Unit Performance |
| K | 57 | 2022/2022 | Failure to Comply with Intergovernmental Agreement Responsibilities in Connection with the Illinois Medicaid Program Advanced Cloud Technology (IMPACT) |

# STATE COMPLIANCE REPORT

## EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on July 1, 2025.

Attending were:

Department on Aging
Mary Killough, Director
Becky Dragoo, Deputy Director
Elizabeth Vogt, Chief of Staff
Rhonda Armstead, General Legal Counsel
Sarah Harris, Chief Fiscal Officer
Theresa McKeon, Deputy Chief Financial Officer and Chief, Bureau of Business Service
Ellen Jennings Fairfield, Chief Internal Auditor
Robin Tucker, Human Resources Administrator

Office of the Auditor General
Emily Berger, Audit Manager

Maharlika PLLC
Maria Fides Balita, Partner/Owner
Karen Montejo, Engagement Manager
Bianca Canasa, Senior

The responses to the recommendations were provided by Ellen Jennings Fairfield, Chief Internal Auditor, in correspondence dated June 30, 2025, and July 3, 2025.

Maharlika PLLC
AUDIT • ACCOUNTING • CONSULTING

111 W. Jackson Blvd. Suite 1700
Chicago, IL 60604
Tel: (773) 661-8736
www.maharlikacpa.com

# INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

**Report on State Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Department on Aging (Department) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies* (*Audit Guide*) as adopted by the Auditor General, during the two years ended June 30, 2024. Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department's compliance with the specified requirements based on our examination.

The specified requirements are:

A. The Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.

B. The Department has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.

C. The Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

D. State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

E. Money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Department complied with the specified requirements in all material respects. An examination involves performing procedures

to obtain evidence about whether the Department complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Department's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the Department during the two years ended June 30, 2024. As described in the accompanying Schedule of Findings as items 2024-001, 2024-002, and 2024-004 through 2024-014, the Department had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. As described in the accompanying Schedule of Findings as item 2024-002, the Department had not obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditures, receipt or use. As described in the accompanying Schedule of Findings as item 2024-013, the Department had not ensured the State revenues and receipts collected by the Department were in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the Department complied with the specified requirements during the two years ended June 30, 2024, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2024-003, and 2024-015 through 2024-019.

The Department's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Department's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

**Report on Internal Control Over Compliance**

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements and to test and report on the Department's internal control in

accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2024-001, 2024-002, and 2024-004 through 2024-014 to be material weaknesses.

A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2024-003, and 2024-015 through 2024-019 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The Department's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Department's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Chicago, IL
July 3, 2025

**STATE OF ILLINOIS**
**DEPARTMENT ON AGING**
**SCHEDULE OF FINDINGS – CURRENT FINDINGS**
**For the Two Years Ended June 30, 2024**

2024-001 **FINDING** Inadequate Controls over Reporting

The Department on Aging (Department) failed to timely submit required reports and did not have adequate controls over reporting to provide assurance the Department's reports are prepared completely and accurately.

Debt Transparency Act Reporting

During fieldwork, we tested four of the 24 (17%) Debt Transparency Act (DTA) reports required to be filed by the Department during the examination period. Our testing identified that one DTA report (25%) was not submitted timely to the Illinois Office of Comptroller (IOC). The report was submitted one day late following the end of the reporting month.

The Statewide Accounting Management System (SAMS) Manual (Procedure 33.17.20) requires the Department to file the DTA reports on the 10th calendar day following each month. If the 10th calendar day falls on a State holiday and/or weekend, the report is due the business day prior to that State holiday and/or weekend.

Additionally, the State Finance Act (30 ILCS 105/9.08) requires the Department to report on a monthly basis to the IOC, current State liabilities held at the agency and estimated accrued interest penalties. Each agency's reported State liabilities are to be posted monthly on the IOC's public website.

Department management indicated the untimely submission of the DTA report was due to inadequate staffing at the Division Manager and supervisory levels, along with insufficient staff to support the process, and competing priorities.

Public Accountability Reporting

During our testing of the Fiscal Years (FY) 2022 and 2023 Public Accountability Reports (PAR), we noted the following:

- The Department failed to submit the FY 2022 PAR by the required deadline, with a delay of one day.
- The Department failed to submit the FY 2023 PAR by the required deadline, with a delay of 21 days.
- The Department was unable to provide supporting documentation for reporting measurements across eight programs in FY 2022 and FY 2023.
- The Department inaccurately reported reporting measurements across seven programs in FY 2022 and one program in FY 2023.

2024-001 **FINDING** Inadequate Controls over Reporting (continued)

The SAMS Manual (Procedure 33.20.20) requires the Department to submit their final PAR by December 15 using the PAR Portal on the IOC website. Further, it requires the Department to substantiate their reports by maintaining adequate and appropriate documentation to support their mission statements, goals, objectives, and performance measures. This would include such elements as statutory or other authoritative sources for programs, mission statements, goals and objectives, definitions of performance indicators and data, the data collection and reporting process, the data storage and retrieval environment, etc.

Further, the State Budget Law (15 ILCS 20/50-15) requires the Department to submit an annual accountability report to the Governor's Office of Management and Budget (GOMB). Each accountability report shall measure the Department's performance based on criteria, goals, and objectives established by the Department with the oversight and assistance of GOMB.

Department management indicated the PAR system data for the specified years was submitted by former staff members. Despite comprehensive search, the Department was unable to locate documentation supporting the likely last-minute revisions to estimates and actuals, which appear to have been caused by inherent delays and normal lag in service data.

Agency Workforce Reporting

During testing, we noted the Department did not accurately complete the FY 2022 and FY 2023 Agency Workforce Reports (Report).

The following errors were noted in the FY 2022 Report:

- The Department incorrectly reported the total number of employees and related calculated percentages in eight categories under the income range of $80,000 - $99,999 (Black or African American males, Black or African American females, Hispanic or Latino males, Hispanic or Latino females, American Indian or Alaska Native males, Caucasian males, Caucasian females, and physically disabled males).
- The Department incorrectly reported the total number of employees and related calculated percentages in eight categories under the income range of $100,000+ (Black or African American males, Black or African American females, Hispanic or Latino males, Hispanic or Latino females, American Indian or Alaska Native males, Caucasian males, Caucasian females, and physically disabled males).
- Errors in the number of employees reported caused the total number and/or calculated percentages in three categories to be incorrect (total and percentage of minorities, total and percentage of Black or African American females, and total and percentage of Caucasian females).

2024-001 **FINDING** Inadequate Controls over Reporting (continued)

The following errors were noted in the FY 2023 Report:

- The Department incorrectly reported the total number of employees and related calculated percentages in the physically disabled female category under the income range of $80,000 - $99,999.
- Errors in the number of employees reported caused the total number and/or calculated percentages in the physically disabled female category to be incorrect.

The State Employment Records Act (5 ILCS 410/1 et seq.) requires the Department to develop a comprehensive procedure to collect, classify, maintain, and publish, for State and public use, information that provides the General Assembly and the People of this State with adequate information of the number of minorities, women, and persons with physical disabilities employed by State government within the State work force.

Department management attributed the deficiencies noted to clerical errors.

Census Data Reconciliation Reporting

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or Other Post-Employment Benefits (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuation (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting the data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the State's employees are members of one of the State's three retirement systems State Employees' Retirement System (SERS), General Assembly Retirement System , or Judges' Retirement System for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services for their OPEB. In addition, we noted these plans have characteristics of different types of pensions and OPEB plans, including single employer plans and cost-sharing multiple employer plans.

During our testing, we noted the following:

- The Department submitted the FY 2022 Census Data Reconciliation 35 days past the deadline.
- The Department submitted the FY 2023 Census Data Reconciliation 112 days past the deadline.

2024-001 **FINDING** Inadequate Controls over Reporting (continued)

The SERS Guidance states the *American Institute of Certified Public Accountant's Audit and Accounting Guide: State and Local Governments* recommends employee census data to be reconciled annually by each employer to a report provided by SERS and used by its actuaries. Based on the FYs 2022 and 2023 SERS Guidance, the Department was requested that the reconciliation and subsequent certification be completed and submitted to SERS prior to November 1, 2022, and November 13, 2023, respectively.

Department management indicated the untimely submission of Census Data Reconciliation Reports was due to inadequate staffing at the Division Manager and supervisory levels, along with insufficient staff to support the process, and competing priorities.

Quarterly Accounts Receivable Reporting

During the testing, we noted three of eight (38%) Quarterly Summary of Accounts Receivable, including Accounts Receivable Activity (Form C-97), Aging of Total Gross Receivables (Form C-98), and External Collections Activity for Accounts Over 180 Days Past Due (Form C-99), were not submitted by the Department in a timely manner, with delays ranging from 9 to 13 days late.

SAMS Manual (Procedure 26.30.10) requires the Department to file the quarterly accounts receivable reports to the IOC no later than the last day of the month following the end of the quarter.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure the Department timely submits and accurately prepares the required reports.

Lastly, the State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the essential transactions of the agency designed to furnish information and protect the financial rights of the State.

Department management indicated the untimely submission of Quarterly Accounts Receivable Reports were due to inadequate staffing at the Division Manager and supervisory levels, along with insufficient staff to support the process, and competing priorities.

2024-001 **FINDING** Inadequate Controls over Reporting (continued)

Failure to timely report the Department's liabilities reduce the State's transparency and limits the IOC's ability to report accurate amounts of unpaid bills. In addition, failure to submit timely and accurately prepare the PAR may result in preventing the State accomplishing its mission to process and account for financial transactions for state government, payees, and vendors to maintain a high degree of integrity over records and systems. Further, it may impact on the public's ability to access reliable financial data, and it may result in noncompliance with statutory reporting requirements. Further, filing inaccurate Agency Workforce Reports with the Office of the Governor and the Office of the Secretary of State prevents fulfillment of the purpose of the State Employment Records Act, which is to provide information to help guide efforts to achieve more diversified work force. Also, failure to timely submit census data reconciliations hinders the process to ensure census data is accurate to reduce payroll errors and risks of financial misstatements. Lastly, failure to timely report accounts receivable balances may result in improper collection of amounts owed to the State and could lead to inaccuracies in the statewide financial statement reporting. (Finding Code No. 2024-001)

**RECOMMENDATION**

We recommend the Department to timely and accurately submit the required reports and allocate sufficient resources and strengthen internal controls over the recording or data entry, reporting, and review process. We also recommend the Department file the corrected Agency Workforce reports, within 30 days after the release of this report, with the Governor's Office and the Office of the Secretary of State.

**DEPARTMENT RESPONSE**

The Department concurs with this finding. The Department created a SmartSheet that identifies reports, applicable deadlines, and responsible staff or division together with reminders to ensure reports are submitted in a timely manner. In addition, the Division of Finance and Administration established calendar reminders for responsible individuals in advance of due dates for financial reports to improve internal controls for reporting.

2024-002 **FINDING** Incorrect Application of New Reimbursement Rates

The Department on Aging (Department) did not correctly apply the reimbursement rates effective July 1, 2023.

During testing, we noted the Department did not correctly apply the reimbursement rates effective July 1, 2023, for 5,726 of 171,236 (3%) reimbursement transactions resulting in reimbursement payments understated by $161,565.

The Illinois Act on the Aging (Act) (20 ILCS 105/4.02) states effective July 1, 2023, subject to federal approval, the Department on Aging shall reimburse Care Coordination Units (CCU) at the following rates for case management services: $252.40 for each initial assessment; $366.40 for each initial assessment with translation; $229.68 for each redetermination assessment; $313.68 for each redetermination assessment with translation; $200.00 for each completed application for medical assistance benefits; $132.26 for each face-to-face, choices-for-care screening; $168.26 for each face-to-face, choices-for-care screening with translation; $124.56 for each 6-month, face-to-face visit; $132.00 for each Managed Care Organization (MCO) participant eligibility determination; and $157.00 for each MCO participant eligibility determination with translation.

Department management indicated the Department's programmers did not have sufficient time to develop all necessary codes for the rate changes, as the changes were introduced at the end of the legislative session as an eleventh-hour addition. As a result, programming limitations led to delays in implementing the new billing codes.

Failure to apply the new reimbursement rates may lead to noncompliance with the Act and may cause inaccurate reimbursement payments to CCUs. (Finding Code No. 2024-002)

**RECOMMENDATION**

We recommend the Department to timely and properly apply the new reimbursement rates as mandated by the Act and issue any additional payments as necessary.

**DEPARTMENT RESPONSE**

The Department agrees with this finding. The Department has taken steps to both address the root cause of this finding and to correct the payments made to CCUs. To address the root cause, the import process now creates a rate table in the billing system daily based on majority rates in SAP to ensure the billing system does not rely on each individual CCU contract and the corresponding rate in SAP to eliminate the possibility of pulling an incorrect rate for payment. To address the payment corrections, the Department has reprocessed over 15,000 records and will soon finish reprocessing the remaining 5,500 records to ensure payment is made at the correct rate.

2024-003 **FINDING** Inadequate Monitoring of Homemaker Service Providers

The Department on Aging (Department) did not adequately monitor its in-home care aide providers (Provider).

During testing of Providers for compliance with reporting requirements, we noted for one of 23 (4%) Providers, the Department did not ensure the Provider submitted an audit to the Department during Fiscal Years 2023 and 2024.

The Illinois Act on Aging (20 ILCS 105/4.02) requires the Department to require an annual audit from all home care aide vendors. The annual audits shall assure the audited vendor's procedures are in compliance with the Department's financial reporting guidelines requiring an administrative and employee wage benefits cost split.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable laws. Accordingly, the Department must receive and review the audit reports of its service providers in a timely manner to determine whether the funds were utilized in accordance with the purpose of the program.

Department management indicated the shortage of auditors and cost of the audits makes it very challenging for providers to get their audits done timely.

Failure to properly monitor service providers through timely receipt and review of their audit reports decreases the Department's accountability over these expenditures and increases the risk of noncompliance with the provisions of the contracts with service providers. (Finding Code No. 2024-003, 2022-006, 2020-004, 2018-010, 2016-008)

**RECOMMENDATION**

We recommend the Department designate sufficient staff to monitor service provider activities by identifying, following up on, and enforcing submission of delinquent audit reports in order to determine whether the funds were utilized in accordance with the purpose of the program.

2024-003 **FINDING** Inadequate Monitoring of Homemaker Service Providers (continued)

**DEPARTMENT RESPONSE**

The Department concurs with this finding. Department management indicated that they have put controls in place for obtaining provider audits timely. In addition, the Department has implemented several actions to follow up with providers that are delinquent including requiring a written plan of correction to address the delinquency with firm dates for submission, shortening the length of successor contracts, and including benchmarks in contracts requiring compliance. The shortage of auditors and cost of the audits makes it very challenging for providers to get their audits done timely. The Department is looking into rule changes to assist with providers by allowing more time to complete audits or changing the thresholds of when one must be completed annually.

2024-004 **FINDING** Noncompliance with the Adult Protective Service Act

The Department on Aging (Department) did not comply with the notification requirements of the Adult Protective Services Act (Act).

During testing, we noted for two of 60 (3%) case investigations on abuse, abandonment, neglect, or financial exploitation of an eligible adult, the Department could not provide evidence of the Department having notified the eligible adult, or an eligible adult's guardian or agent, cared for by the caregiver, of the occurrence, that his or her caregiver's name may be placed on the Adult Protective Service (APS) Registry based on a verified and substantiated finding of abuse, abandonment, neglect, or financial exploitation of an eligible adult.

The Act (320 ILCS 20/7.5(e)) requires the Department, as part of its investigation, to notify an eligible adult, or an eligible adult's guardian or agent, that his or her caregiver's name may be placed on the APS Registry based on a verified and substantiated finding of abuse, abandonment, neglect, or financial exploitation of an eligible adult. The Department adopted an administrative rule (89 Ill. Admin. Code 270.406) requiring the APS provider agency to notify the eligible adult or the eligible adult's guardian or agent.

Department management indicated the assigned caseworker failed to provide the Working Together Brochure and did not document reasoning to waive this requirement.

The Act places the notification responsibility on the Department and adopting an administrative rule placing the responsibility on the APS provider does not relieve the Department of its responsibility. Failure to either adequately monitor the APS provider agency or to notify the eligible adult, or the eligible adult's guardian or agent, that their caregiver may be placed on the APS Registry weakens the overall purpose of the Act to protect the eligible adult. (Finding Code No. 2024-004, 2022-011)

**RECOMMENDATION**

We recommend the Department either comply with the notification requirements of the Act itself, or it should implement internal controls to adequately monitor the APS providers to ensure the notification requirements of the Act are met.

**DEPARTMENT RESPONSE**

The Department partially concurs with this finding. The Department has a robust monitoring, quality assurance and educational initiatives in place as controls to ensure compliance with this requirement. Aside from the fact it is the provider versus the Department that provides the notice to an individual we respectfully submit that one instance should not rise to the level considered for material noncompliance.

2024-004 **FINDING** Noncompliance with the Adult Protective Service Act (continued)

**ACCOUNTANT'S COMMENT**

While we acknowledge the Department's monitoring, quality assurance, and education initiatives designed to support compliance, this requirement serves as a critical safeguard for vulnerable individuals and is fundamental to the integrity of the program; therefore, even two instances of noncompliance is significant and warrants a material classification.

2024-005 **FINDING** Inadequate Controls over Personal Services

The Department on Aging (Department) failed to maintain adequate controls over personal services.

For our testing of personal services, the Department provided a population of active, newly hired, and terminated employees. However, we were unable to determine the completeness and accuracy of the listing provided in order to obtain reasonable assurance on the reported hire and separation effective dates of employees in order to properly test compliance.

Statements on Standards for Attestation Engagements (AT-C §205.36) require, when using information produced by the entity, the practitioner to evaluate whether the information is sufficiently reliable for the practitioner's purposes, including obtaining evidence about the accuracy and completeness of the information; and to evaluate whether the information is sufficiently precise and detailed for the practitioner's purposes.

Despite these limitations, we selected a sample of employees to review personnel files, performance evaluations, payroll vouchers, time sheets, leave requests, accrued leave balances, overtime cards, and training certificates. Our testing identified the following:

- One of 23 (4%) employees tested did not have Form I-9 in their personnel files. As a result, we were unable to verify whether the Department had examined the employee's identity and employment authorization.

  Federal law (8 U.S.C. § 1324) requires an employer to complete and maintain Form I-9 to verify an individual's eligibility for employment in the United States.

  Further, the Code of Federal Regulation (Code) (8 CFR § 274a.2(a)(3)) requires employers to review documents that establish an individual's identity and employment authorization. Additionally, employers must complete and sign Form I-9 under penalty of perjury.

  Moreover, the Code (8 CFR § 274a.2(b)) mandates that employers retain Form I-9 in either paper (with original handwritten signatures), electronic, or a combination of formats for at least three years after the employee's hire date or one year after their employment ends, whichever is later.

- Four of 23 (17%) employees' performance evaluations were not completed during Fiscal Year 2024.

  In accordance with the Illinois Administrative Code (80 Ill. Admin. Code 302.270), the Department is required to evaluate certified employees at least annually.

2024-005 **FINDING** Inadequate Controls over Personal Services (continued)

Further, the Department's Employee Handbook (Handbook) mandates participation in the evaluation process for all full-time permanent employees.

- Five of 23 (22%) employees had time sheets that were not approved in a timely manner, with delays ranging from 2 to 28 days.

  The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and to maintain accountability over the State's resources. Good internal controls include approving timesheets in a timely manner to ensure compliance and accountability.

- One of 23 (4%) employees tested did not complete the 2022 annual ethics training on time, with a delay of 8 days.

  The Ethics Act (5 ILCS 430/5-10(a)) requires each officer, member, and employee to complete, at least annually, an ethics training program conducted by the appropriate State agency.

- Three of 23 (13%) employees tested did not complete the 2022 annual harassment and discrimination prevention training on time, with delays ranging from 3 to 8 days.

  The Ethics Act (5 ILCS 430/5-10.5(a-5)) requires each officer, member, and employee to complete, at least annually, a harassment and discrimination prevention training program.

- One of 23 (4%) employees tested completed the 2022 annual combined Identity Protection Act and security awareness training six days late.

  The Identity Protection Act (5 ILCS 179/37) requires all employees of the State agency identified as having access to social security numbers in the course of performing their duties to be trained to protect the confidentiality of social security numbers.

  In addition, the Data Security on State Computers Act (20 ILCS 450/25) requires every employee to annually undergo training by the Department of Innovation and Technology concerning cybersecurity which shall include, but need not be limited to, detecting phishing scams, preventing spyware infections and identity theft, and preventing and responding to data breaches.

2024-005 **FINDING** Inadequate Controls over Personal Services (continued)

- Ten of 45 (22%) overtime transactions lacked documentation of prior supervisory approval.

  The Department's Handbook requires that the overtime must be approved in advance and may not be worked without prior supervisory approval.

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

  Further, the Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure the Department maintains complete and accurate employee listings, retains, and properly completes the Form I-9s, completes performance evaluations at least annually, timely completes the mandated training programs, and ensures that the overtime transactions are properly supported and are being worked with prior supervisory approvals.

Department management attributed the deficiencies noted above to inadequate staffing at the Division Manager and supervisory levels, along with insufficient staff to support the process, and competing priorities.

Failure to establish and maintain adequate fiscal and administrative controls over personal services represents noncompliance with laws, rules, and regulations, and could:

- impede the performance of the testing and provides useful and relevant feedback regarding personal services.
- potentially result in unlawful employment and expose the Department to legal penalties.
- undermine the ability of management to monitor employee development and communicate performance evaluations.
- lead to incorrect compensation for services rendered and results in noncompliance with Department policies and State statutes.
- prevent employees from recognizing instances of harassment or discrimination and understanding their rights and responsibilities under the Ethics Act.
- increase the risk of employees mishandling information containing Social Security numbers and results in noncompliance with the Illinois Information Security Improvement Act.

2024-005 **FINDING** Inadequate Controls over Personal Services (continued)

- increase the risk of improper payments for unrendered services or undetected errors in overtime calculations. (Finding Code No. 2024-005, 2022-026, 2020-014, 2018-014, 2016-007, 2014-002, 12-4)

**RECOMMENDATION**

We recommend the Department maintain complete and accurate employee listings, retain and properly complete the Form I-9s, complete performance evaluations at least annually, timely approve timesheets, timely complete the mandated training programs, and ensure that all overtime transactions receive prior supervisory approval and are supported by appropriate documentation.

**DEPARTMENT RESPONSE**

The Department concurs with this finding.

The Department's Office of Human Resources (HR) conducted a comprehensive internal audit, reviewing 100% of the I-9 Forms on file. This review confirmed that all remaining employee files contained the required Form I-9.

The Department acknowledges that while some employee performance evaluations continue to be completed late, HR has implemented several control procedures to improve compliance. These include monthly reminders to managers regarding upcoming evaluation due dates and regular reporting to senior leadership on outstanding evaluations to help reduce delinquencies.

To further promote compliance, HR also issues additional reminders regarding the timely completion of the required annual training. These efforts have been proven effective for training deadlines occurring on or before December 31, 2024.

The Department permits verbal approval from supervisors in situations where advance notice is not feasible, such as instances of staff travel delays or unforeseen circumstances arising during audit site visits. Supervisors are responsible for reviewing all overtime requests and ensuring they are properly documented within the e-Time system. Overtime payments cannot be processed without supervisory approval in the timekeeping system. The Department acknowledges that the Employee Handbook would benefit from revisions to provide additional clarity on this process.

2024-006 **FINDING** Failure to Comply with Intergovernmental Agreement Responsibilities Regarding the Administration of the Home and Community Based Services Waivers for Persons Who Are Elderly

The Department on Aging (Department) did not comply with the responsibilities assigned to it pursuant to an Intergovernmental Agreement (IA) with the Department of Healthcare and Family Services (HFS) regarding the administration of the Home and Community Based Services Waiver for Persons who are Elderly (Waiver) under section 1915(c) of the Social Security Act.

The Department and HFS entered into an IA in order to delineate respective roles, responsibilities, resources, and financial obligations associated with the administration of services for persons applying to or are currently enrolled in Waiver services provided through the Department's Community Care Program (CCP).

We reviewed the terms of the IA and performed testing over the Department's assigned responsibilities contained within the IA. The results of our testing noted the Department was not in compliance with the following responsibilities assigned:

- Article 2.03b requires the Department to submit to HFS quarterly estimates of claims to be submitted in the next quarter, the current fiscal year, and the next fiscal year.

  We requested the estimates the Department required to be submitted quarterly and determined none were submitted.

  Department management indicated HFS was going to require the Department to provide the quarterly estimates, but after discussion, both parties decided there was not a good tool to create such estimates.

- Article 2.03d requires the Department to certify that expenditures submitted to HFS have been paid prior to submittal, are not in excess of the Department's actual cost of the services provided, are in accordance with the principles established in Code of Federal Regulations (2 C.F.R § 200) and the State of Illinois' State Plan under Title XIX of the Social Security Act, and the amounts used as the State's share of expenses are not federal funds and were not used to match other federal funds.

  We requested evidence of the Department having provided certifications of expenditures to HFS. The Department provided evidence of having provided certifications of the administrative expenditures incurred, but provided no evidence of having certified the expenditures for direct services provided.

2024-006 **FINDING** Failure to Comply with Intergovernmental Agreement Responsibilities Regarding the Administration of the Home and Community Based Services Waivers for Persons Who Are Elderly (continued)

Department management indicated they believed the cost certifications only related to the administrative expenditures. Further, Department management stated the Department does not certify direct service expenditures. The system only sends to HFS expenditures after they have been paid by the Office of Comptroller, and uses the eCCPIS billing system to identify the amounts paid to providers, and this is sent to HFS.

- Article 2.03w requires, subject to the responsibilities of a Managed Care Organization (MCO) for participants enrolled in an MCO, the Department to be responsible through its contracted Care Coordinators (CCs) and/or Care Coordination Units (CCUs) for the performance of the Determination of Eligibility for MCO participants. For Medicaid enrolled CCP participants, the CCs and/or CCUs are responsible for completion of the Comprehensive Care Coordination assessment tool and creation and implementation of a Person-Centered Service Plan (Plan). Further, the Plan is required to be updated annually.

  We tested a sample of 40 Medicaid enrolled CCP participants who were not MCO participants. During testing, we noted:
  1. For nine (23%) participants, the Department did not ensure that the CCs and/or CCUs completed a Comprehensive Care Coordination assessment tool.
  2. For eight (20%) participants, the Department did not ensure that the CCs and/or CCUs updated the Plan during the fiscal year tested.
  3. For seven (18%) participants, the Department did not ensure that the CCs and/or CCUs created and implemented a Plan.

  Department management indicated that ongoing staffing shortages, compounded by increased caseloads, have led to significant delays in conducting annual redeterminations and updating individualized Plans.

Failure to establish and adhere to robust internal controls over Departmental responsibilities noted with the terms of the IA limits HFS' ability to properly perform its functions as the State's Medicaid Agency. Specifically, the State could inaccurately determine eligibility for Waiver recipients, which could result in expenditures to providers who are ineligible. Also, by seeking Medicaid federal participation reimbursements for ineligible expenditures, the State could become noncompliant with federal laws and regulations, resulting in denied claims, sanctions, and/or loss of future federal funding, and ultimately inaccurate financial statements or financial information. (Finding Code No. 2024-006, 2022-001)

2024-006 **FINDING** Failure to Comply with Intergovernmental Agreement Responsibilities Regarding the Administration of the Home and Community Based Services Waivers for Persons Who Are Elderly (continued)

**RECOMMENDATION**

We recommend the Department fully comply with the terms of the executed IA.

**DEPARTMENT RESPONSE**

The Department partially concurs with this finding. Since the issuance of the previous audit the Department and HFS have worked aggressively and consistently to amend the IA, providing extensive documentation to support the shared efforts of both agencies and the fact the provisions related to the submission of estimates and certifications (2.03b and 2.03d). The final amended IA (March 2025) reflects the fact these provisions were in fact outdated and not possible to implement. Among the revisions, Article 2.03b was deleted and 2.03d was revised. In addition, the Department wishes to emphasize there was no violation of the provisions of the IA as the agencies meet with considerable frequency and work collaboratively to ensure their responsibilities under the IA are met.

With respect to annual redeterminations, the Department maintains a robust system of monitoring CCUs for compliance with redeterminations. This system that requires selection of random sample for compliance, together with corrective actions and mandatory plans of correction ensures the Department meets its obligation under the IA to adequately monitor CCUs.

2024-007 **FINDING** Inadequate Controls over Travel Vouchers

The Department on Aging (Department) did not maintain adequate controls over travel vouchers.

During testing of travel vouchers, we noted the following:

- Seven of 25 (28%) travel vouchers, amounting to $10,830, were submitted late, ranging from 8 to 55 days past the required submission deadline.
- One of 25 (4%) travel vouchers, amounting to $1,370, lacked documentation indicating the date of the receipt. Consequently, we were unable to verify whether the voucher was submitted within 60 days following the last day of travel, nor whether it was approved within 30 days.
- Two of 21(10%) out-of-state travel requests, amounting to $788, were submitted to the Governor's Office of Management and Budget (GOMB) after the required 30-day advance notice period, with a delay of 8 days.

Internal Revenue Service Publication 463 requires travelers to submit an adequate accounting of all business expenses within 60 days after the last date of travel.

The Administrative Code Title 74, Section 900.70 (b) states an agency shall approve Proper Bills or deny bills with defects, in whole or in part, within 30 days after receipt. Vendor bills denied during this 30-day period shall be assigned a new date of receipt when a corresponding Proper Bill is subsequently received. Further, 2800.700 (b) states that travel outside of Illinois (including travel outside the contiguous United States) requires the approval of the GOMB prior to the travel. All requests shall be submitted to GOMB's online travel system (eTravel) at least 30 days in advance of the departure date.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to ensure revenues, expenditures, and transfer of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Department management indicated a significant issue with the timely submission of travel requests and vouchers was attributed to insufficient training and a shortage of personnel.

Failure to timely process proper bills and failure to submit travel vouchers timely increases the risk that errors or irregularities could occur and would not be identified by employees performing their functions in the normal course of business. The untimely submission of a travel request to the GOMB may result in late approval, potentially hindering the ability to secure cost-effective travel reservations due to the proximity of the event date. (Finding Code No. 2024-007)

2024-007 **FINDING** Inadequate Controls over Travel Vouchers (continued)

**RECOMMENDATION**

We recommend the Department to timely submit the travel vouchers within 60 days after the last date of travel, maintain documentation of the travel vouchers indicating the date of the receipt, and timely submit out-of-state travel requests to the GOMB within the required 30-day advance notice period.

**DEPARTMENT RESPONSE**

The Department concurs with this finding. The Department's Division of Finance and Administration has made improvements to assist all travelers in completing their respective travel vouchers. They have held travel training, recorded travel training, made requested revisions to the travel voucher, implemented electronic signatures on the travel vouchers and provided links to the Governor's Travel Control Board bulletins.

2024-008 **FINDING** Voucher Processing Weakness

The Department on Aging's (Department) did not timely approve its vouchers for payment during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning System (ERP) operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Department to determine whether certain key attributes were properly entered by the Department's staff into ERP. In order to determine the operating effectiveness of the Department's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's ERP System based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

We then conducted an analysis of the Department's expenditures data for fiscal years 2023 and 2024 and noted the Department did not timely approve 5,268 of 97,147 (5%) vouchers processed during the examination period, totaling $144,977,689. We noted these vouchers were approved between 1 to 354 days after receipt of a proper bill or other obligating document.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70) requires the Department to timely review each vendor's invoice and approve proper bills within 30 days after receipt. The Code (24 Ill. Admin, Code 1000.500) also requires the Department to process payments within 30 days after physical receipt of Internal Service Fund bills.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Department management indicated that the review of vouchers not timely approved was due to inadequate staffing at the Division Manager and supervisory levels, along with insufficient staff to support the process, and competing priorities.

Failure to timely process proper bills and obligations due may result in noncompliance, unnecessary interest charges, and cash flow challenges for payees. Further, failure to approve vouchers for payment represents noncompliance with the Code and the Act. (Finding Code No. 2024-008, 2022-004, 2020-012, 2018-006)

2024-008 **FINDING** Voucher Processing Weakness (continued)

**RECOMMENDATION**

We recommend the Department timely approve proper bills and obligations due within 30 days after receipt.

**DEPARTMENT RESPONSE**

The Department concurs with this finding. The Department implemented the new statewide accounting system July 1, 2020, and has been updating procedures to enhance timely payments. After working diligently with Human Resources, additional staff have been hired to process the payments.

2024-009 **FINDING** Inadequate Controls over State Property

The Department on Aging (Department) did not exercise adequate internal control over the recording and reporting of its State Property.

As of June 30, 2024, the Department's inventory listing includes equipment with a total cost of $503,650. The Department's Agency Report of State Property (C-15) reported equipment of $186,815 and no other property as of June 30, 2024.

During the examination periods tested, we determined that the Department did not maintain an accurate inventory listing; therefore, its annual inventories and annual certifications to Department of Central Management Services (DCMS) were not adequately completed.

We noted the reported findings related to the Department's asset listing, identified in the previous compliance examination periods, had not been addressed in the fiscal years under review, which are as follows:

- Two items of equipment totaling $2,625, acquired in previous periods (which were reconciling items in previous examinations) still had not been added to the Department's asset listing as of June 30, 2024.
- Incorrectly recorded amount of capital lease asset deletion that should have been recorded as $32,848 instead of $35,279 in the C-15 Report for the quarter ending March 31, 2021, have not yet been corrected as of June 30, 2024, and caused the C-15 reports during the fiscal years tested to be overstated by $2,431.
- Equipment items totaling $36,254 were transferred to surplus on September 15, 2022. However, these items were incorrectly reported on the C-15 report for the quarter ending March 31, 2023, instead of the appropriate C-15 report for the quarter ending September 30, 2022.
- Equipment items totaling $64,561 were not included in the June 30, 2024, inventory listing, as the Department had not yet converted some items from the old inventory system to the new inventory system. We identified this exception because there was a note at the bottom of the inventory listing provided by the Department; however, the Department did not provide additional information regarding what equipment items made up the $64,561.
- Items reported as transferred to surplus on September 30, 2022, totaling $7,159, were not on the deletion listing, thus, they were not removed from the asset listing.
- 125 equipment items, totaling $151,288, in the asset listing were not located since June 6, 2019.
- 191 equipment items, totaling $91,126, were excluded from the observation population because the location of the items was in a separate building in Springfield which had been condemned, therefore, the items could not be viewed. These items had not been removed from the Department's asset listing as of June 30, 2024.

2024-009 **FINDING** Inadequate Controls over State Property (continued)

Despite these limitations, we selected a sample of equipment items to perform the procedures related to list-to-floor, floor-to-list, additions, and deletions. During further testing, we noted the following:

- During the list-to-floor testing, we selected 25 equipment items, amounting to $33,981, from the Department's asset listing for physical observation. We noted six (24%) equipment items, totaling $7,476, were not located, and therefore could not be observed. Further, one (4%) equipment item amounting to $1,338 was tagged as surplus but was not excluded from the Department's asset listing as of June 30, 2024. This could potentially result in an overstatement of recorded assets and the C-15 schedule accordingly.
- During the floor-to-list testing, we selected 25 equipment items during physical observation within the Department's premises to determine whether the Department maintains complete and accurate records. We noted four (16%) equipment items observed were not included in the Department's asset listing as of June 30, 2024. However, we were unable to quantify the understatement in the C-15, as the Department did not provide the necessary information regarding the specified equipment items.
- One addition amounting to $7,510, received on May 22, 2024, was not recorded in the property records. This could potentially result in an understatement of recorded assets and the C-15 schedule accordingly.
- Four of nine (44%) deletions tested totaling $1,923 were not excluded from the Department's asset listing as of June 30, 2024.
- One equipment item amounting to $426 in the asset listing was not located since March 28, 2024.

The State Property Control Act (Act) (30 ILCS 605/4) requires responsible officers at each State agency to be accountable for the supervision, control, and inventory of property under their jurisdiction to ensure proper accounting and safeguarding of assets.

Further, the Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) states agencies shall adjust property records within 90 days of acquisition, change, or deletion of equipment items.

In addition, the Statewide Accounting Management System (SAMS) Manual (Procedure Section 29.10.10) states assets that are obsolete, damaged, or no longer used in operations should be identified by the Department and, if necessary, removed from the Department's asset records.

2024-009 **FINDING** Inadequate Controls over State Property (continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State's resources.

Moreover, during our testing of the reports required to be submitted during the examination periods, we determined the following untimely submissions:

- The Certification of Inventory during Fiscal Year 2023 was submitted to DCMS 417 days late.

  The Act (30 ILCS 605/6.02) requires an inventory certification to be submitted to DCMS on an annual basis.

  The Code (44 Ill. Admin. Code 5010.460) states that when an agency completes its inventory, the agency head or his or her designee shall complete and sign the "Certification of Inventory" and "Discrepancy Report" and forward the completed certificate, with a complete inventory listing, including a listing of all vehicles, to the Department. DCMS granted the Department an extension of deadline until August 31, 2023. However, the Department did not submit such certification until October 21, 2024.

- Two of eight (25%) C-15 reports were submitted 5 to 19 days late.

  SAMS (Procedure 29.20.10) requires the C-15 report to be filed on a quarterly basis and should be submitted to the Office of the Comptroller no later than the last day of the month following the last day of the quarter.

- The Annual Real Property Utilization Report (ARPUR) during Fiscal Year 2024 was submitted to DCMS 93 days late.

  The Act (30 ILCS 605/7.1) requires all agencies to submit to DCMS the ARPUR by July 31 of each year.

Finally, the Department does not have a formal policy clearly delineating the categories of equipment considered subject to theft. The Department follows the practice of using its own discretion to consider whether items can be easily stolen to identify as highly susceptible to theft.

2024-009 **FINDING** Inadequate Controls over State Property (continued)

The Code (44 Ill. Admin. Code 5010.21(c)) states all agencies shall consider all vehicles and firearms to be subject to theft. Additionally, the Code states each agency is responsible for adopting policies clearly delineating categories of equipment considered to be subject to theft.

Department management indicated the noted issues were due to a lack of staffing resources and competing priority assignments for available staff in the Fiscal Office.

Failure to exercise adequate internal control over property and maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. Inaccurate and untimely property reporting reduces the reliability of Statewide property information. (Finding Code No. 2024-009, 2022-002, 2020-003, 2018-011, 2016-010)

**RECOMMENDATION**

We recommend the Department allocate sufficient resources and strengthen internal controls over the recording and reporting of State property by reviewing their inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. In addition, we recommend the Department ensure all equipment and intangible assets are accurately and timely recorded on the Department's property and financial records.

**DEPARTMENT RESPONSE**

The Department agrees with this finding. The Department is working to strengthen internal controls over the recording and reporting of State property by reviewing Department inventory and recordkeeping, and having staff assist with physical inventory taking, and tracking. The Department schedules an annual inventory every year and reviews purchase on a monthly basis for additions to inventory as well as modifying the procedures. The Department is working to strengthen internal controls over equipment being moved without prior notice.

2024-010 **FINDING** Inadequate Controls of Access to Applications and Data

The Department on Aging (Department) did not maintain adequate internal controls over users' access to its applications and data.

During testing of eight applications to determine whether an annual review of user access was completed for each fiscal year tested, we noted the following:

- The Department did not conduct an annual review of users' access rights during Fiscal Year 2023 for five (63%) applications.
- The Department was not able to provide supporting documentation evidencing review of users' access rights during Fiscal Year 2023 was performed for three (37%) applications.

The *Framework for Improving Critical Infrastructure Cybersecurity* and *The Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Access section, requires entities to maintain internal controls over access to their applications and data.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision), published by the NIST, Access Control section, requires the timely termination of access rights. Additionally, the System and Services Acquisition control emphasized the necessity of a properly secured infrastructure.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State's resources.

Department management indicated the Department of Innovation and Technology (DoIT) is responsible for the Department's security controls and the Department lacks sufficient resources to independently perform these responsibilities. Management also indicated security and user access reviews for DoIT-managed applications were conducted; however, due to minimal employee turnover among personnel with system access, documentation of these reviews was not retained.

Without the Department providing complete and adequate documentation to enable testing, we were impeded in completing our procedures and providing useful and relevant feedback to the General Assembly regarding the Department's internal controls over user access to applications and data. Further, inadequate internal controls over users' access could result in inappropriate access to the Department's applications and data. (Finding Code No. 2024-010, 2022-007)

2024-010 **FINDING** Inadequate Controls of Access to Applications and Data (continued)

**RECOMMENDATION**

We recommend the Department conduct and document periodic reviews of users of its systems to ensure access is appropriate.

**DEPARTMENT RESPONSE**

The Department concurs with this finding. The Department conducted a comprehensive examination of users' access rights for all applications, servers, and Resource Access Control Facility Mainframe IDs and terminated access rights for users that no longer required access. This review process will continue as an ongoing security practice.

2024-011 **FINDING** Inadequate Controls over Change Management

The Department on Aging (Department) lacked adequate internal controls over changes to be made to its information systems.

During our testing, we determined the Department has not established its own control procedures, relying solely on the Department of Innovation and Information Technology's change management controls. Further, we reviewed the Department's Change Control Procedures, noting that it did not address the following:

- Controls over changes other than major/critical.
- Approval processes, other than to move to production.
- Testing requirements and testing documentation requirements.
- Post implementation review requirements.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State's resources.

The *Framework for Improving Critical Infrastructure Cybersecurity* and *The Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology, System Development Life Cycle section, requires entities to develop controls to ensure applications are modified in a manner that promotes consistency, integrity, and security.

Department management indicated the DoIT was responsible for the controls over changes to their applications and data, as they had no resources of their own.

Failure to implement sufficient controls over changes to its information systems increases the risk of unauthorized or improper changes being made. (Finding Code No. 2024-012, 2022-011, 2020-016)

**RECOMMENDATION**

We recommend the Department fully document the procedures to be performed for all changes to its information systems, including approvals throughout the process, testing requirements and documentation of testing performed, and post implementation reviews.

2024-011 **FINDING** Inadequate Controls over Change Management (continued)

**DEPARTMENT RESPONSE**

The Department concurs with this finding. During the audit, the Department provided the auditors with information on the Agile Change Methodology used by DoIT developers for client agencies when changes are made to their Information Technology (IT) resources. While the Department is not in control of actual infrastructure or IT application coding changes, they do own the data and participate in DoIT's Agile Change Methodology process as the user business information experts and to evaluate business controls needed for operational changes made to the Department's IT resources. The Department also participates in the User Acceptance Testing when changes are made by DoIT staff to the Department's IT resources and provides a final acceptance approval when those changes are completed as documented in the Service Now ticket system.

The Department established a Cybersecurity Program on May 1, 2024. The Department will document appropriate procedures as guidance to define the Department's responsibilities required in coordination with DoIT's Agile Change Management Policy.

2024-012 **FINDING** Weaknesses in Cybersecurity Programs and Practices

The Department on Aging (Department) had not implemented adequate internal controls related to cybersecurity programs and practices.

As a result of the Department's mission to serve and advocate older Illinoisans and their caregivers by administering quality and culturally appropriate programs that promote partnerships and encourage independence, dignity, and quality of life, the Department maintains computer systems that contain large volumes of confidential and personal information such as names, addresses and Social Security numbers of the citizens of the State.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review the State agencies and their cybersecurity programs and practices. During our examination of the Department's cybersecurity program, practices, and control of confidential information, we noted the Department:

- had not developed a formal, comprehensive, adequate, and communicated security program (policies, procedures, and processes) to manage and monitor the regulatory, legal, environmental, and operational requirements for 22 months of the examination period.
- did not require employees and contractors to completely acknowledge receipt of security policies and procedures.
- had not defined cybersecurity roles and responsibilities.
- did not have policies documenting guidelines for reporting security violations and suspected violations for 22 months of the examination period.
- had not established a cybersecurity plan documenting the Department's security program, policies, and procedures for 22 months of the examination period.

*The Framework for Improving Critical Infrastructure Cybersecurity* and *the Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Security and Privacy controls, Incident Response, and Risk Assessment sections, require entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission. Further, NIST 800-53 Security Awareness Training recommends agencies to provide basic and advanced levels of training to users. Lastly, NIST 800-53 Policy and Procedures recommends agencies to develop, document, and disseminate policies and procedures to users, which includes staff and contractors.

2024-012 **FINDING** Weaknesses in Cybersecurity Programs and Practices (continued)

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State's resources.

Department management indicated the Department of Innovation and Technology (DoIT) was responsible for cybersecurity controls, and the Department did not have sufficient resources to carry out these responsibilities.

Failure to implement internal controls related to cybersecurity programs, practices and control of confidential information could result in unidentified risk and vulnerabilities and ultimately lead to the Department's volumes of personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2024-012, 2022-015, 2020-009)

**RECOMMENDATION**

We recommend the Department work with DoIT to obtain a detailed understanding of each party's responsibilities related to cybersecurity controls. Further, we recommend the Department:

- establish a security governance framework that includes documented policies, procedures, and processes aligned with applicable laws, regulations, and standards.
- require employees and contractors to acknowledge receipt of security policies and procedures.
- define cybersecurity roles and responsibilities.
- define step-by-step procedures for identifying, reporting, investigating, and escalating security incidents.
- draft a comprehensive cybersecurity plan that integrates existing security policies, procedures, and operational guidelines.

2024-012 **FINDING** Weaknesses in Cybersecurity Programs and Practices (continued)

**DEPARTMENT RESPONSE**

The Department concurs with this finding. The Department established a Cybersecurity Program on May 1, 2024, in response to risks identified during Management's Act required review of Department Internal Controls. The Cybersecurity Program is on the employee portal and incorporates links to DoIT Policies and Procedures governing IT resources, Security, and Privacy practices. The Department is also in the process of hiring a Governance, Risk and Compliance Officer to spearhead IT compliance. In addition, all staff are required to complete Cybersecurity and privacy training annually as tracked on OneNet. Corrective action has been implemented for this finding.

2024-013 **FINDING** Failure to Maintain Accounts Receivable Records

The Department on Aging (Department) did not request a total write-off of its receivables nor maintain detailed documentation of the accounts receivable reported in its Quarterly Summary of Accounts Receivable – Accounts Receivable Activity (Form C-97), Quarterly Summary Accounts Receivable – Aging of Total Gross Receivables (Form C-98), and Quarterly Summary of Accounts Receivable – External Collections Activity for Accounts Over 180 Days Past Due (Form C-99) reports submitted to the Illinois Office of Comptroller (IOC).

During testing of the quarterly accounts receivable reports submitted by the Department to IOC during the examination period, it was noted that the Department was unable to request a complete write-off of all outstanding accounts receivable and failed to provide detailed supporting documentation for the information reported in the quarterly submissions.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State's resources. A good system of internal control includes ensuring receivables are properly and accurately recorded and maintained by the Department.

The State Records Act (5 ILCS 160/8) requires the Department to cause to be made and preserve records containing adequate and proper documentation of the essential transactions of the agency designed to furnish information and protect the financial rights of the State.

The State Collection Act of 1986 (30 ILCS 210/5 (c-1) requires all debts exceeding $250 and more than 90 days past due to be placed with the IOC's Offset System.

The Illinois Administrative Code (Code) (74 Ill Admin. Code 1200.60) requires the Department to refer to the Bureau all debt owed to the State, provided that the debt satisfies the requirements for referral of delinquent debt. The Code (74 Admin. Code 1200.500) defines "delinquent debt as a debt to the State or any of its agencies that is owed by any person or entity, that is $10 or more, and that is more than 90 days past due.

The Uncollected State Claims Act (30 ILCS 205/2(a)) requires the Department to request the Attorney General to certify the claim or accounts receivable as uncollectible when it is unable to collect any claim or account receivable of $ 1,000 or more after having pursued the debt in accordance with State law.

2024-013 **FINDING** Failure to Maintain Accounts Receivable Records (continued)

Department management indicated the majority of the Department's receivables are associated with provider overpayments, which have not been adequately monitored due to limited staffing and competing priorities within the Fiscal Office. The accounts receivable was located in storage, where the records are currently inaccessible. Management indicated these receivables originated under previous administrations, prior to the ERP system conversion. Management advised the reported receivable balance represents their best estimate.

Failure to maintain accurate accounts receivable records and accurately report accounts receivable balances could lead to the failure of properly collecting amounts owed to the State, inaccuracies in statewide financial statement reporting, increases the risk that errors and irregularities could occur and not be detected by the Department on a timely basis, and represents noncompliance with the Act and the Statewide Accounting Management System Manual. Finally, failure to write off uncollectible debts may result in unnecessary funds expended for monitoring and collection of such debts, and possible overstatement of State receivables. (Finding Code No. 2024-013, 2022-003, 2020-002, 2018-012)

**RECOMMENDATION**

We recommend the Department strengthen its controls over accounts receivable by performing thorough reviews and reconciliations of the data it uses to generate the C-97, C-98, and C-99 Forms. Further, we recommend the Department have the staff allocated to review and monitor past due accounts and also refer them to the Office of Attorney General as required by State laws or hire additional staff to perform the required referrals.

**DEPARTMENT RESPONSE**

The Department concurs with this finding. Staff have recently been hired, that as a component of their job duties, will begin creating a process within the new accounting system for current and potentially collectable receivables. Staff will develop procedures and training to ensure that procedures and guidance are available to new hires.

2024-014 **FINDING** Inadequate Controls over Preparation of Monthly Reconciliations

The Department on Aging (Department) did not have adequate controls over preparation of monthly reconciliations of its significant accounts and transactions with the Office of Comptroller's (Comptroller) records.

During our testing, we noted the following:

- For 48 of 48 (100%) Cash Report (SB05) reconciliations selected for testing, the Department did not provide documentation demonstrating the completion of monthly reconciliations between its internal records and the SB05 within 60 days of month-end for Fiscal Years 2023 and 2024.
- For 28 of 28 (100%) Agency Contract Report (SC14) or the Obligation Activity Report (SC15) reconciliations, the Department did not provide documentation demonstrating the completion of monthly reconciliations between its internal records and either of the SC14 or SC15 within 60 days of month-end for Fiscal Years 2023 and 2024.
- For 16 of 182 (9%) Appropriations Status report (SB01), the Department did not complete monthly reconciliations between its internal records and the SB01 in a timely manner, ranging from 4 to 35 days late.
- For 16 of 168 (10%) Revenue Status reports (SB04), the Department did not complete monthly reconciliations between its internal records and the SB04 in a timely manner, ranging from 2 to 21 days late.
- For one of 168 (1%) monthly SB04 reconciliation reports, the Department did not review and verify the accuracy of the reconciliation report.

The Statewide Accounting Management System Manual (Procedure 07.30.20) requires the Department to reconcile its records to the SAMS system on a monthly basis. This reconciliation has to be completed within 60 days after the end of each month.

In addition, the State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the essential transactions of the agency designed to furnish information and protect the financial rights of the State.

Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal and fiscal administrative controls, to provide assurance revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports to maintain accountability over the State's resources.

2024-014 **FINDING** Inadequate Controls over Preparation of Monthly Reconciliations (continued)

Department management indicated that the identified deficiencies were influenced by limited staffing resources as well as challenges in balancing multiple priorities and providing adequate process support.

Failure to prepare monthly reconciliations between the Department and those of the Comptroller's records reduces the usefulness and reliability of financial information and increases the risk of undetected errors or delays in their correction. (Finding Code No. 2024-014, 2022-009, 2020-010)

**RECOMMENDATION**

We recommend the Department assign sufficient staff to timely reconcile its records to the Comptroller's records, ensure the reconciliations receive an appropriate supervisory review each month, and maintain supporting documentation for the discrepancies noted during the reconciliation process.

**DEPARTMENT RESPONSE**

The Department concurs with this finding. During the audit period, the Department contracted with a third-party contractor to complete reconciliations on a timely basis to help remedy the deficiency. The Department will continue to use the contractor until the reconciliation process can be implemented within the statewide accounting system. The Department will add a manager review each month to the current reconciliation process.

2024-015 **FINDING** Failure to Make a Grant to Study Employment Plan

The Department on Aging (Department) failed to make a grant to an institution of higher learning to study the feasibility of an affirmative action employment plan for persons 60 or more years old.

During our testing, we noted the Department did not request an appropriation to make the grant for Fiscal Years 2023 and 2024.

The Illinois Act on the Aging (Act) (20 ILCS 105/4.01(14)) requires the Department to make a grant to an institution of higher learning to study the feasibility of establishing and implementing an affirmative action employment plan for the recruitment, hiring, training and retraining of persons 60 or more years old for jobs for which their employment would not be precluded by law.

Department management indicated they believe this is a duplication of efforts by the Federal and Illinois Governments. Additionally, management indicated relevant studies, including those involving individuals over age 60, were already being conducted under the Federal Workforce Innovation and Opportunity Act by the Illinois Department of Commerce and Economic Opportunity, the Illinois Workforce Innovation Board, and the Federal Government. Finally, management indicated legislative change was submitted by the Department, but it did not carry enough priority to be enacted by the legislature according to the Legislative Liaison.

Failure to make a grant to an institution of higher learning to study the feasibility of establishing and implementing an affirmative action employment plan may impede growth and evolvement in training and employing persons over 60 years old. (Finding Code No. 2024-015, 2022-024, 2020-008, 2018-009, 2016-004)

**RECOMMENDATION**

We recommend the Department request an appropriation and make the grant required by the Act or continue to seek legislative remedy to the current statutory requirement.

**DEPARTMENT RESPONSE**

The Department concurs with this finding and will continue to seek legislative relief from this statutory language.

2024-016 **FINDING** Failure to Timely Submit and Post Reports

The Department on Aging (Department) failed to timely submit and post required reports.

**Annual Report**

The State Finance Act (30 ILCS 105/3) requires the Department by January 7 make and deliver to the Governor an annual report of its acts and doings, respectively, arranged so as to show the acts and doings of each for the fiscal year ending in the calendar year immediately preceding the calendar year in which that regular session of the General Assembly convenes.

During testing, we noted the Department submitted the Fiscal Year 2022 annual report of the Department's acts and doings to the Governor 248 days late.

**Community Care Program Annual Report**

The Illinois Act on the Aging (Act) (20 ILCS 105/4.02) requires the Department and the Department of Human Services (DHS) to cooperate in the development and submission of an annual report of programs and services provided under this section, which includes the Community Care Program (CCP). Such an annual report is to be filed with the Governor and the General Assembly on or before September 30 of each year.

During testing, we noted the Department submitted the Fiscal Years 2022 and 2023 CCP Annual Reports to the Governor or the General Assembly 174 and 179 days late, respectively.

**Home Delivered Meals**

The Act (20 ILCS 105/4.07) requires the Department to file a Home Delivered Meal Report with the General Assembly and the Illinois Council on Aging by January 1 of each year.

During testing, we noted the Department submitted the Fiscal Year 2022 Home Delivered Meal Reports to the General Assembly 28 days late.

**Adult Protective Services Report**

The Adult Protective Services (APS) Act (320 ILCS 20/11) requires the Department to file an annual report with the Governor and General Assembly, within 270 days after the end of each fiscal year (March 27th) concerning its implementation of the APS Act during the fiscal year, together with any recommendations for future implementation.

2024-016 **FINDING** Failure to Timely Submit and Post Reports (continued)

During testing, we noted the Department submitted the Fiscal Year 2023 Adult Protective Services Report to the Governor and General Assembly three days late.

**Older Adult Services Report**

The Older Adult Services Act (320 ILCS 42/15(c)) requires the Department to file an annual report with the General Assembly by January 1 of each year on progress made in complying with the act, impediments thereto, recommendations of the Advisory Committee, and any recommendations for legislative changes necessary to implement the act.

During testing, we noted the Department submitted the Fiscal Years 2022 and 2023 Older Adult Service Act Reports to the General Assembly 319 and 18 days late, respectively.

**Respite Services Report**

The Respite Program Act (320 ILCS 10/12) requires the Department to file a Respite Services Report each year with the Governor and the General Assembly detailing the progress of the respite care services provided under the Respite Program Act and shall also include an estimate of the demand for respite care services over the next 10 years.

During testing, we noted the Department submitted the Fiscal Year 2022 Respite Services Report to the Governor or General Assembly 116 days late.

Department management indicated the issues noted were due to calculation errors of the deadlines set.

Failure to submit timely and post reports results in noncompliance with the Illinois Compiled Statutes and reduces available information to those parties interested in Department operations and making budget and policy decisions. (Finding Code No. 2024-016, 2022-010, 2020-006, 2018-007, 2016-002, 2014-003, 12-05, 10-09, 08-09, 06-11)

**RECOMMENDATION**

We recommend the Department implement internal controls to ensure compliance with reporting requirements contained in various Acts or seek legislative remedy.

2024-016 **FINDING** Failure to Timely Submit and Post Reports (continued)

**DEPARTMENT RESPONSE**

The Department concurs with this finding. The Department has submitted all required reports. Further, the Department sought legislative changes to update report due dates to allow for time for data collection, report drafting and timely submission. Lastly, the Department implemented a SmartSheet to monitor and track report development and submission deadlines to ensure that reports are submitted in accordance with the statutory requirements.

2024-017 **FINDING** Failure to Establish a Prevention of Unnecessary Institutionalization Grant and Loan Program

The Department on Aging (Department) failed to request appropriation in order to establish a Prevention of Unnecessary Institutionalization Grant and Loan Program (Program) which is required by the Prevention of Unnecessary Institutionalization Act (Act).

During our testing, we inquired about the Department's efforts to establish the Program, in collaboration with Department of Human Services (DHS). This inquiry included whether or not the Department requested an appropriation for the establishment of the Program in Fiscal Years 2023 and 2024, and whether or not the Department and DHS had jointly adopted administrative rules governing the program. The Department responded that it did not request or receive an appropriation specifically for the Program, and it and DHS have not adopted administrative rules related to the Program. While the Department's ongoing efforts align with the broader objective of preventing institutionalization, the specific requirements of the Act remain unmet.

The Act (310 ILCS 100/20 thru 100/30) requires DHS and the Department to jointly establish a Prevention of Unnecessary Institutionalization Grant and Loan Program. The Program shall have two components: one component shall be administered by DHS and the other component shall be administered by the Department. DHS and the Department shall cooperate in the overall administration of the Program and shall jointly adopt administrative rules governing the Program consistent with this Act.

Department management indicated the Department and the DHS administer Medicaid Home and Community-Based Services (HCBS) waivers to support individuals in avoiding unnecessary institutionalization. The Department oversees the Persons Who Are Elderly 1915(c) Medicaid Waiver, while DHS manages the Adults with Disabilities Waiver, both under the oversight of the Illinois Medicaid agency (HFS). These waivers provide essential services through programs like the Community Care Program (CCP) and operate beyond the scope of a grant or loan program. Additionally, the Department and DHS collaborate on multiple initiatives to expand community-based care options. Establishing a separate grant or loan program would be duplicative and could risk the loss of federal matching funds. Both agencies work with HFS on policy approvals, administrative rules, and statutory changes affecting the populations served.

Failure to request an appropriation and establish the Program, including adopting joint administrative rules, is considered noncompliance with the Act. Further, failure to implement the required Program may deprive eligible participants from obtaining much-needed assistance in the form of dwelling modifications or assistive technology devices if the Department's already established programs do not fulfill all needs of the State's elderly and disabled citizens. (Finding Code No. 2024-017, 2022-022)

2024-017 **FINDING** Failure to Establish a Prevention of Unnecessary Institutionalization Grant and Loan Program (continued)

**RECOMMENDATION**

We recommend the Department request an appropriation and work with DHS to adopt administrative rules and establish the Program required by the Act or seek a legislative remedy.

**DEPARTMENT RESPONSE**

The Department partially concurs with this finding. The Department maintains there is an abundance of documentation and evidence that the existing programs exist to ensure the prevention of unnecessary institutionalization. Data and evidence from the Department's programs provide ample evidence the needs of older adults are being met. Finally, the Department's budget and appropriation requests submitted each year to ensure funding for programs are evidence of compliance.

2024-018 **FINDING** Noncompliance with Hospital Licensing Act

The Department on Aging (Department) did not comply with the requirements of the Hospital Licensing Act (Act).

In order to facilitate the orderly transition of aged patients from hospitals to post-hospital care, the Act (210 ILCS 85/6.09) requires the Department to adopt rules to address these instances to ensure that the patient is able to access nursing home care, the nursing home is not penalized for accepting the admission, and the patient's timely discharge from the hospital is not delayed.

Although the Department adopted administrative rules and an operations policy addressing the screening requirements, we saw no evidence of rules adopted to ensure the patient is able to access nursing home care, the nursing home is not penalized for accepting the admission, and the patient's timely discharge from the hospital is not delayed.

The Department indicated it believes the Department cannot adopt the referenced rule because it lacks the authority to implement or enforce it, as it does not have regulatory jurisdiction over nursing homes. The Department emphasized that a state agency may only exercise powers explicitly granted to it through its enabling statute. In this case, the Department operates under the Illinois Act on Aging, which does not provide authority to regulate nursing homes. As such, the Department cannot prescribe rules directed at entities outside its statutory authority.

Failure to comply with the Act prevents fulfilment of the Act's purpose. (Finding Code No. 2024-018, 2022-020)

**RECOMMENDATION**

We recommend the Department comply with the Act by amending its administrative rules and operations policy to ensure all requirements of the Act are fully addressed or seek a legislative remedy.

**DEPARTMENT RESPONSE**

The Department concurs with this finding. The Department will continue to seek legislative relief from this language.

2024-019 **FINDING** Weaknesses in Disaster Contingency Planning and Testing

The Department on Aging's (Department) disaster recovery plans contained weaknesses and disaster recovery testing had not been performed.

The Department meets its mission through the use of information technology. In order to determine if the Department would be able to recover its applications and data in the event of a disaster, we reviewed the Information System Contingency Plans (ISCP) for the Department's 15 applications. During our review, we noted that Business Impact Analysis had not been completed for 15 of 15 (100%) ISCPs. The most recent Business Impact Analysis was updated on February 8, 2020.

In addition, the Disaster Recovery Testing was not completed during the examination period.

The *Contingency Planning Guide for Information Technology Systems* published by the National Institute of Standards and Technology requires entities to have an updated and regularly tested disaster contingency plan to ensure the timely recovery of applications and data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State's resources.

Department management indicated that Business Impact Analysis (BIA) and Disaster Recovery Testing (DRT) for each application were not completed by Department of Innovation and Technology (DoIT) during the examination period due to the data migration from paper plans to ServiceNow's Business Continuity Management (SNOW BCM) that occurred between 2022 and 2023, which is still ongoing during the audit period. The SNOW BCM focused first on Tier 1 agencies (per Governor's Office), and the next is Tier 2 which includes the Department.

Without an adequately documented and tested disaster recovery plan, the Department cannot ensure its critical systems could be recovered within an acceptable period, and therefore minimizing the impact associated with a disaster. (Finding Code No. 2024-019, 2022-023, 2020-015)

2024-019 **FINDING** Weaknesses in Disaster Contingency Planning and Testing (continued)

**RECOMMENDATION**

We recommend the Department work with DoIT to obtain an understanding of each party's responsibilities as it relates to recovering its applications and data. We also recommend the Department develop ISCPs for all of its applications. Further, we recommend the Department review the ISCPs and ensure they document detailed recovery instructions, document Recovery Time Objectives, and BIAs have been conducted. In addition, we recommend the Department conduct a DRT at least annually.

**DEPARTMENT RESPONSE**

The Department concurs with this finding. The Department published a Cybersecurity policy effective May 1, 2024, and will be hiring a Governance, Risk and Compliance Officer to spearhead IT compliance. Preparation for the DRT is in progress and scheduled with DoIT for the first quarter of Fiscal Year 2026.

**STATE OF ILLINOIS**
**DEPARTMENT ON AGING**
**SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED**
**For the Two Years Ended June 30, 2024**

A. **FINDING** Inadequate Controls and Monitoring Over Enhanced Rate Payments Made to Community Care Program Service Providers

During the prior examination, the Department on Aging (Department) was not able to provide supporting documentation that the service providers were able to furnish the Department with the required verification from an independent certified public accounting firm of the actual, documented expense for health insurance within 6 months after the end of the reporting period and Direct Service Worker Health Insurance Certification during Fiscal Years 2021 and 2022.

During the current examination, our sample testing did not identify any exceptions since the Department was able to provide proof the sample service providers tested submitted the required documentation. Further, the Department maintains a monitoring file documenting whether the service providers are required to submit such required documentation or not, if the service providers were able to submit, and with specific explanations for any exceptions. (Finding Code No. 2022-005, 2020-001, 2018-004, 2016-001, 2014-001, 12-01, 10-01)

B. **FINDING** Indirect Cost Reimbursements Not Claimed for All Federal Grants

During the prior examination, the Department on Aging (Department) did not pursue all indirect cost reimbursements for three awards which may have been eligible for indirect costs based on the criteria of the indirect cost rate agreements or provide sufficient evidence they were precluded from claiming indirect costs for all federal grant programs.

During the current examination, it was determined that the Department sought legislative remedy as described in the Illinois Act on the Aging (20 ILCS 105/4.01b), to address the above finding. (Finding Code No. 2022-008, 2020-017)

C. **FINDING** Failure to Develop a Plan of Enforcement Relating to the Home Care Consumer Bill of Rights

During the prior examination, the Department on Aging (Department) failed to comply with the requirements of the Rehabilitation of Persons with Disabilities Act by not working with the Department of Human Services (collectively referred to as the Departments) in developing a plan to enforce the Home Care Consumer Bill of Rights (HCCBoR) and posting the best practices of the enforcement on the Departments' websites.

During the current examination, we noted while the Department has made substantial efforts to comply with the requirements, there was still no formal plan addressing the enforcement provided. Further, we noted the Department did not include the best practices for enforcing such rights in the HCCBoR pamphlet or on the website, which may limit consumers' understanding and protection of their rights. Based on the facts presented, we determined that the finding should be reported in the Department's Report of Immaterial Findings. (Finding Code No. 2022-013)

D. **FINDING** Inaccurate Debt Transparency Reporting

The Department on Aging (Department) failed to file accurate and timely Debt Transparency Reports with the Office of Comptroller and did not retain documentation supporting the data reported.

During the current examination, we noted the Department did not timely submit one of the Debt Transparency Reports, but this issue was combined with other findings of the same nature and has been reported in the State Compliance Examination Report as Finding 2024-001. On the other hand, the Department was able to provide detailed records supporting the reported amounts and was able to develop an estimation methodology with documented procedures for estimated liabilities. (Finding Code No. 2022-016, 2020-021)

E. **FINDING** Electronic Devices Weakness

During the prior examination, the Department on Aging (Department) was unable to provide a complete and accurate population of electronic storage devices (computers, servers, laptops, etc.) sent to surplus in order to determine if the device had been properly "wiped" prior to disposal. Nevertheless, a sample testing was conducted, and it was determined that the Department did not maintain documentation demonstrating that the sample devices had been wiped prior to being sent to surplus.

During the current examination, our sample testing indicated the Department's magnetic storage or hard drives of the IT equipment were erased, wiped, sanitized or destroyed in a manner preventing the retrieval of sensitive data prior to disposal by either overwriting the previously stored data on a drive or disk at least three times or physically destroying the hard drive by providing certificates of media sanitization during the fiscal years tested. We further noted that such certification included all required information. Lastly, we note that the Department has adopted a policy reasonably designed to protect and appropriately dispose of data not on state-owned equipment. (Finding Code No. 2022-017)

F. **FINDING** Inadequate Internal Controls over Vehicle Maintenance

During the prior examination, the Department's vehicles did not receive timely oil changes and tire rotations. In addition, Department vehicle maintenance records for Fiscal Year 2022 were incomplete. No records were maintained for the months of January 2022 through May 2022 for each of the vehicle maintenance logs. As such, the determination of the timeliness of the vehicles' maintenance was not possible.

During the current examination, we noted the vehicle maintenance records were complete and accurate, and the sample testing indicated the Department was in compliance as to the timeliness

of vehicle maintenance as required by the Department Central Management Services – Division of Vehicles. (Finding Code No. 2022-018)

G. **FINDING** Failure to Develop a Program to Identify the Special Needs and Problems of Minority Senior Citizens

During the prior examination, the Department on Aging (Department) had not yet developed a prescribed program to identify the special needs and problems specific to minority senior citizens as opposed to all senior citizens. Further, the Department had not promulgated any administrative rules to establish the responsibilities of the Department related to a separate program targeting minority senior citizens and had not coordinated services specific to targeted minority senior citizens with the other named departments pursuant to the Illinois Act on the Aging. Further, although the Department and other designated agencies jointly filed Serving Minority Seniors annual reports, which provided demographic information for the Department's existing programs for all senior citizens, it was observed that those reports contained almost no information on programs and services specific to minorities as provided under this section of the Act. Lastly, it was determined that the annual reports compiled and submitted to the Illinois State Library Electronic Documents of Illinois Depository were not submitted to the Governor or General Assembly during the examination period.

During the current examination, we noted the Department was able to 1) develop strategies to Identify the Special Needs and Problems of Minority Senior Citizens, and 2) promulgate administrative rules to establish the responsibilities of the Department. However, the Department did not timely file the joint report with the Governor and the General Assembly which were due on or before September 30 of each year during Fiscal Years 2022 and 2023. Based on the facts presented, we determined the finding should be reported in the Department’s Report of Immaterial Findings. (Finding Code No. 2022-021, 2020-007, 2018-008)

H. **FINDING** Failure to Share Data with the State Board of Elections

During the prior examination, the Department on Aging (Department) entered into an agreement to share data with the State Board of Elections during March 2021 and updated the agreement in February 2022; however, the Department failed to share the required information with the State Board of Elections (Board) prior to June 30, 2022.

During the current examination, the Department was able to confirm that the required information per Illinois Act on the Aging was shared with the Board on April 24, 2024. (Finding Code No. 2022-025, 2020-020, 2018-016, 2016-012)

**STATE OF ILLINOIS**
**DEPARTMENT ON AGING**
**SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED**
**For the Two Years Ended June 30, 2024**

I. **FINDING** Noncompliance with the Fiscal Control and Internal Auditing Act

During the prior examination, the Department on Aging's (Department) program of internal auditing was unable to review all major systems within a two-year period as required by the Fiscal Control and Internal Auditing Act. It was noted that the internal audit function audits did not include testing of the property, equipment, and inventories internal accounting and administrative controls during the examination period.

During the current examination, we noted the Department's Internal Audit conducted an inventory process and controls audit of property, equipment, and inventories accounting and administrative controls during the examination period. (Finding Code No. 2022-027, 2020-013, 2018-013, 2016-011, 2014-007)

J. **FINDING** Failure to Report on Care Coordination Unit Performance

During the prior examination, the Department on Aging (Department) failed to report on Care Coordination Unit (CCU) performance during the engagement period.

During the current examination, we noted the Department was able to provide five quarterly reports on CCU. However, the Department failed to provide three (38%) quarterly reports and did not include the longitudinal data on the performance of each CCU in the three reports inspected. Based on the facts presented, we determined the finding should be reported in the Department's Report of Immaterial Findings. (Finding Code No. 2022-019, 2020-018)

K. **FINDING** Failure to Comply with Intergovernmental Agreement Responsibilities in Connection with the Illinois Medicaid Program Advanced Cloud Technology (IMPACT)

During the prior examination, the Department on Aging (Department) did not comply with the responsibilities assigned to it pursuant to an Intergovernmental Agreement (IA) with the Department of Healthcare and Family Services (HFS) in connection with IMPACT.

During the current examination, we noted the Department was not required by HFS to document licenses performed, site visits, or other screening or enrollment requirement for qualification to perform services under the Department's Community Care Program. Furthermore, the Department and HFS have agreed upon new language to eliminate this requirement in the IA effective in Fiscal Year 2025. (Finding Code No. 2022-014)