

**REPORT DIGEST**

**DEPARTMENT ON AGING  
FINANCIAL AND COMPLIANCE AUDIT  
(In accordance with the Single Audit Act of 1984  
and OMB Circular A-128)  
FOR THE TWO YEARS ENDED JUNE 30, 1992**

## **FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS**

### **PROPERTY CONTROL WEAKNESSES**

We presented two findings in our report concerning property control weaknesses which are repeated from our prior reports.

- The Department has developed policies and procedures for property control, but they need improvement in the areas of inventory taking, proper segregation of duties, and proper reconciliation techniques. The Department's failure to take an accurate inventory has made the reconciliation between the property listing and the quarterly fixed asset report to the Comptroller more difficult and has resulted in an unresolved difference of over \$100,000. (Finding 1. page 8, first presented in 1988.)

- Fixed asset reports filed quarterly with the State Comptroller contained errors, and five of the eight filed in our audit period were not filed timely. (Finding 2, page 9, first presented in 1990.)

Department management states our recommendations to correct these problems have been accepted and are either implemented or are in process of being implemented.

### **MORE PROVIDER PAYMENT REVIEWS NEEDED**

The Department's Division of Program Integrity performs payment reviews each year on only a few of the larger providers of services for the Community Care Program.

The Community Care Program is at least a \$90 million-a-year program that provides an estimated 12.5 million units of service. The opportunity for over-billing in this size program is significant. The failure to select a diversified sample for payment review from all size provider groups does not allow the Department to adequately test the entire population of providers.

The Department performs a compliance review on a third of the providers every 18 months; therefore, every provider should be examined every four and one-half years. The compliance review is a test to make sure providers meet the regulations required in their contract.

We recommended the Department perform a payment review as a part of the compliance review. The addition of overpayment review procedures should not significantly increase the time of these reviews. This would provide a better sample of all providers and the Department would be able to do more frequent reviews, if needed, based on the information gathered. (Finding 4, page 11.)

The Department agreed with our finding and stated they have already begun to implement our recommendation.

### **OTHER FINDINGS**

The remaining findings are less significant and have been given appropriate attention by the Department. We will review progress towards the implementation of our recommendations in our next audit.

Ms. Maralee I. Lindley, Director of the Department on Aging, provided the responses.

### **AUDITOR'S OPINION**

In our auditors' opinion the Illinois Department on Aging's combined financial statements are fairly presented at June 30, 1992 and 1991.

\_\_\_\_\_ WILLIAM G. HOLLAND, Auditor General

WGH:TEE:pp

### **SUMMARY OF AUDIT FINDINGS**

Number of Current Audit    Prior Audit

Findings 58

Repeated Findings 43

Prior Recommendations Implemented  
or Not Repeated 41

### **SPECIAL ASSISTANT AUDITORS**

Gleeson, Sklar & Sawyers were our special assistant auditors for this audit.