

2020

ANNUAL REPORT

STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL



Frank J. Mautino, Auditor General

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

March 1, 2021

The Honorable Members of the General Assembly
The Legislative Audit Commission
The Honorable JB Pritzker, Governor
Citizens of Illinois

Ladies and Gentlemen:

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

The mission of the Auditor General's Office has been, and will continue to be, to present objective, balanced and independent audits. I believe this Annual Report reflects the Office's success in fulfilling that goal during calendar year 2020.

I would like to thank the members of the General Assembly, members and staff of the Legislative Audit Commission, and the staff of the Auditor General's Office, through whose efforts the reported accomplishments were made possible.

Yours truly,

A handwritten signature in blue ink that reads "Frank J. Mautino".

FRANK J. MAUTINO

Auditor General



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OVERVIEW

Frank J. Mautino became Auditor General of the State of Illinois on January 1, 2016. Prior to his appointment as Auditor General, Mr. Mautino was a member of the Illinois House of Representatives, and served as a co-chairman of the Legislative Audit Commission.

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

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

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

may then use the audit recommendations to develop legislation for the improvement of government.



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

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

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

OVERVIEW

PUBLIC INFORMATION

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



The following information is also available by request:

- Late Filing Affidavits
- Emergency Purchase Affidavits

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

PUBLIC INFORMATION IS AVAILABLE BY WRITING:

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Springfield, IL 62703-3154**

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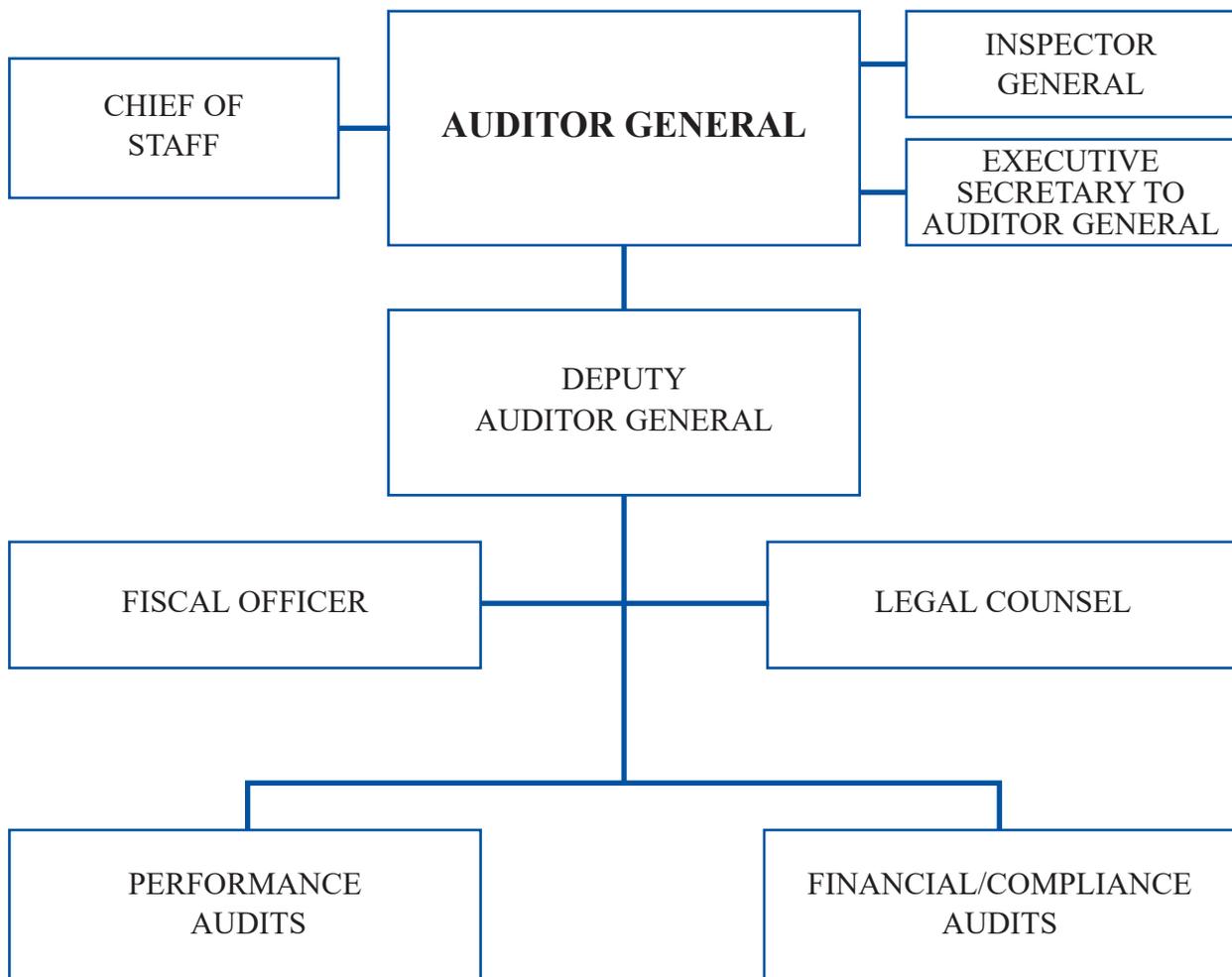
Visit our web site at www.auditor.illinois.gov for full details or for an on-line reporting form.

TTY: (888) 261-2887

PUBLIC INFO.

ORGANIZATIONAL CHART

As of December 31, 2020, there were 87 employees. Eighty-three were located in the Springfield Office and four in the Chicago Office. ❖



ORGANIZATION

THE COMPLIANCE EXAMINATION PROGRAM

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



The Compliance Audit Division conducted engagements at 84 agencies during the FY 2019 audit cycle. These engagements encompassed compliance examinations, financial audits, and federal audits. Staff auditors conducted 27 of these audits. The remainder were performed by public accounting firms under the general direction and management of the Auditor General's audit managers.

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

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

COMPLIANCE

A number of reports issued since our last report had findings that were critically important from an accountability standpoint. A brief summary of some of these findings follows:

INSUFFICIENT CONTROLS OVER FINANCES

The **State of Illinois** did not have sufficient controls over its finances. This condition increases the risk that liabilities will not be properly recorded. Further, this condition increases risk and diminishes the oversight and authority of the budgeting and appropriation process.

We noted during our audit of the State’s financial statements that the State had transactions, totaling \$10.078 billion, on hand at June 30, 2019, that had been approved for payment by the State, but remained unpaid at year end due to the State’s cash flow difficulties. Of this amount, approximately \$5.100 billion was owed to external parties; the remaining balance was related to intra-governmental transactions and statutorily mandated transfers. Due to the State not being able to pay external vendors in a timely manner, the State processed for payment (on a cash basis) \$202.705 million in interest payments during Fiscal Year 2019.

We recommended the Governor work with the General Assembly to improve the State’s control over its finances in a manner that eliminates significant payment delays and unnecessary interest payments to State vendors.

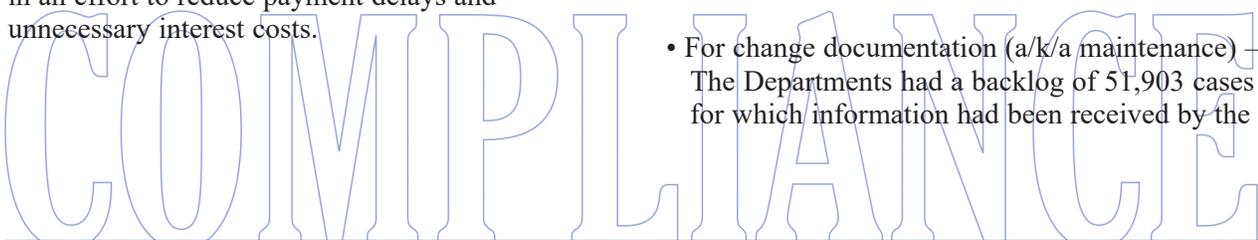
The Office of the Governor agreed with our recommendation and stated that the Office of the Governor will continue to work together with the General Assembly, and together with the Illinois Office of the Comptroller and the Office of the State Treasurer, to improve the State’s financial controls in an effort to reduce payment delays and unnecessary interest costs.

UNTIMELY PROCESSING OF APPLICATIONS FOR BENEFITS AND REDETERMINATIONS OF ELIGIBILITY FOR BENEFITS

The **Illinois Department of Healthcare and Family Services (HFS)** and the **Illinois Department of Human Services (DHS)** (collectively, the “Departments”) did not maintain adequate internal control to ensure applications for benefits and redeterminations of eligibility for benefits were completed timely.

As part of our audit procedures, we tested the Departments’ compliance with the federal time requirements for approving or denying applications, conducting redeterminations, and working any changes communicated by recipients for the SNAP, TANF, and Medical programs.

- For initial applications – The Departments had a backlog of 107,242 Medical applications, 19,957 SNAP applications, and 6,476 TANF applications, for which the determination of eligibility to receive benefits was not complete as of June 30, 2019. Additionally, there were 1,279 applications in which the applicant did not specify the program; therefore, we were unable to determine the timeliness of the application.
- For redeterminations – The Departments had incurred a backlog of at least 170,720 medical redeterminations, and 980 SNAP and TANF redeterminations as of June 30, 2019. In addition to the known redetermination backlog, because of a defect within IES, the date that information was received was not documented and we were unable to determine the timeliness of the redeterminations for 68,612 Medical recipients and 2,146 SNAP and TANF recipients.
- For change documentation (a/k/a maintenance) – The Departments had a backlog of 51,903 cases for which information had been received by the



ACCOUNTABILITY (CONT.)

Departments but not reviewed as of June 30, 2019. Because the information had not been reviewed, the Departments did not know which program(s) might be impacted. As such, we were unable to determine the timeliness of processing the information.

We recommended the Departments work together to implement controls to comply with the requirement that applications are reviewed and approved or denied within 45 or 30 days, as applicable, and the Departments should establish appropriate controls to both monitor the progress of eligibility redeterminations and ensure those redeterminations occur timely along with any change documentation received.

DHS accepted the recommendation and stated the Department agrees to work with HFS to implement controls to comply with the requirement that applications are reviewed and approved or denied timely. DHS also stated the Department will continue the practice of assigning and training additional personnel so that initial applications are worked and redeterminations and maintenance of eligibility are performed within the timeframes required. DHS also stated the Department recently implemented Statewide Processing Centers in order to handle work from larger offices with heavy case-loads, and effectively redistribute tasks to areas of the field that have the capacity to handle additional assignments which has resulted in: more timely performance of task completion within IES; a substantial increase in SNAP application timeliness; a reduction in the backlog of medical applications; lower wait times for customers who enter the Family Community Resource Center; and improved customer service in the timely and accurate distribution of benefits.

INACCURATE REFUNDS PAYABLE

The **Illinois Department of Employment Security** (Department) did not have sufficient internal control over the determination of refunds payable. The refunds payable account contained amounts that were already paid resulting in the Department's draft financial statements being misstated. As a result, refunds payable was adjusted by \$18.172 million.

During testing, we determined the Department's refunds payable account contained refunds for which the Department had already paid the employers. The Department included these amounts in the refunds payable account erroneously due to the employer not cashing the refund.

We recommended the Department implement controls to ensure that uncashed checks are not included in refunds payable.

The Department accepted the finding and stated it will continue to work on moving the remaining uncashed refunds back to the employer accounts for completion before Fiscal Year 2020 year end and implement controls to ensure that uncashed checks are not included in refunds payable in the future.

INADEQUATE CONTROLS OVER FINANCIAL REPORTING

The internal controls over financial reporting of the **Illinois Department of Transportation** (Department) were insufficient to prevent misstatements.

During our audit of the significant balances comprising the Department's financial statements, we noted the following errors and deficiencies related to financial statement classification and presentation:

- Duplication of Assets in the Government-wide and Governmental Funds Financial Statements

The Department's underlying support for accounts receivable at the end of the fiscal year inappropriately allocated amounts to accounts receivable and revenue for Fund 011, Road Fund.

The effect of this misstatement in the Department's government-wide and governmental funds financial statements was an overstatement of accounts receivable and revenue of \$12,131,241 as of June 30, 2019. The Department posted an audit adjustment to correct this duplication error in its financial statements as of and for the year ended June 30, 2019.

ACCOUNTABILITY (CONT.)

- Classification of Net Position in the Government-wide Financial Statements

The Department's underlying calculations used to determine the net position at the end of the fiscal year inappropriately allocated amounts to net investment in capital assets instead of unrestricted net position.

The effect of this misstatement in the Department's government-wide financial statement was an overstatement of net investment in capital assets and an understatement of unrestricted net position of \$15,046,000 as of June 30, 2019. The Department posted an audit adjustment to correct this classification error in its financial statements as of and for the year ended June 30, 2019.

- Completeness of Assets and Revenues in the Government-wide and Governmental Funds Financial Statements

The Department failed to record revenue and a corresponding receivable for certain federally reimbursable payroll costs for Fund 011, Road Fund, incurred during the year ended June 30, 2019.

The effect of this misstatement in the Department's government-wide and governmental funds financial statements was an understatement of accounts receivable and revenue of \$35,467,990 as of June 30, 2019. The Department posted an audit adjustment to correct this omission in its financial statements as of and for the year ended June 30, 2019.

We recommended the Department enhance and improve its controls over financial reporting to ensure amounts reported within the Department's

annual financial statements are accurate and presented in accordance with accounting principles generally accepted in the United States.

Department officials agreed with the finding and stated in order to avoid duplication on the financial statements, the Department will continue to implement cross-training and make enhancements to its review process. Department officials also stated, as each staff member learns about additional pieces of the Department's financial statements, duplications will be avoided, and the clerical error in the calculation of net position has been fixed. Department officials further stated the Department will continue to expand review processes to avoid such errors.

INADEQUATE CONTROLS OVER RECONCILIATIONS

The **Illinois Department of Agriculture** (Department) did not perform required reconciliations in a timely manner. In addition, for the monthly reconciliations performed, the Department failed to notify the Office of the Comptroller and resolve the differences noted.

During our review of the Department's monthly reconciliations, we noted the following:

- The Department failed to perform Fiscal Year 2018 and 2019 monthly reconciliations with the Comptroller's Monthly Appropriation Transfer Report.
- The Department failed to perform Fiscal Year 2018 and 2019 monthly reconciliations with the Comptroller's Monthly Object Expense/Expenditures by Quarter Report.

COMPLIANCE

ACCOUNTABILITY (CONT.)

- The Department failed to complete monthly reconciliations with the Comptroller's Monthly Revenue Status Report during Fiscal Year 2018 from January 2018 through June 2018 for all 23 funds with revenue status. The reconciliations have not been reviewed and approved. The incomplete reconciliations for these funds contained irreconcilable differences ranging from \$950 to \$4,698,260. In addition, for Fiscal Year 2019, the Department failed to review and approve monthly reconciliations with the Comptroller's Monthly Revenue Status Report for all 23 funds with revenue status. The reconciliations for these funds contained irreconcilable differences of \$631.
- The Department failed to perform monthly contract and obligation reconciliations with the Comptroller's Agency Contract Report and the Comptroller's Obligations Activity Report for both Fiscal Years 2018 and 2019.
- The Department failed to perform monthly reconciliations with the Comptroller's Monthly Appropriation Status Report during Fiscal Year 2018 for July 2017 through December 2017. Furthermore, the Department failed to perform monthly reconciliations for 6 months, from January 2018 through June 2018. For Fiscal Year 2019, the Department performed a one-time reconciliation with the Comptroller's Monthly Appropriation Status Report after fiscal year end, instead of performing monthly reconciliations throughout the fiscal year.
- The Department failed to perform monthly reconciliations with the Comptroller's Cash Report during Fiscal Year 2018, from January 2018 through June 2018 for 5 of 26 (19%) funds with Cash Reports. In addition, the Department failed to perform monthly reconciliations from December 2017 through June 2018 for 21 of 26 (81%) funds with Cash Reports. The reconciliations performed have not been reviewed and approved. The incomplete reconciliations for these funds contained irreconcilable differences ranging from \$59 to \$1,735,915. In addition, for Fiscal Year 2019, the Department failed to perform any monthly reconciliations with the Comptroller's

Cash Report of ending cash available balances for all funds under the Department.

We recommended the Department perform, review, and approve monthly reconciliations with Comptroller's reports. We also recommended the Department notify the Comptroller and resolve all differences noted during the reconciliation process.

Department Officials accepted the recommendation and stated they have implemented revised processes for required reconciliations and is working to address staffing shortages to ensure reconciliations are completed properly, timely, and in a consistent manner.

INADEQUATE CONTROLS OVER THE ILLINOIS GOVERNOR'S MANSION PROPERTY AND RECEIPTS

The **Illinois Office of the Governor** (Office) lacked adequate controls over the Illinois Governor's Mansion (Mansion) property and receipts. We noted the following:

During the examination period, the Mansion underwent extensive renovations, which were contracted, overseen, and funded by the Illinois Governor's Mansion Association (Association), a not-for-profit tax exempt 501(c)(3) organization. The Office lacked a formal agreement with the Association for the services and renovations funded by the Association. In addition, the Office lacked supporting documentation on renovations recorded to fixed asset records and did not perform a reconciliation between the Association's renovation expenditures and the Office's additions recorded in the property records or reported on the Office's quarterly Agency Report of State Property (Form C-15). Specifically, we noted:

- For the quarters ended September 30, 2017, June 30, 2018, and December 31, 2018, the Office reported additions, totaling \$10,956,735, to buildings and building improvements for the capital improvements. However, the Office did not

ACCOUNTABILITY (CONT.)

maintain documentation to support \$9,059,543 of additions reported.

- The Office reported additions to building and building improvements, totaling \$34,147,807, during the examination period on the quarterly Form C-15s; however, only \$17,077,265 of building and building improvement additions were recorded in the Office property records.

As such, we were unable to determine the total amount of renovations completed on the Mansion, which were to be recorded in the Office's property records and on Form C-15s.

During Fiscal Year 2019, following the completion of extensive renovations, various events were held at the Mansion which were coordinated by the Association. The Office lacked controls over the charge and collection of fees for usage of the facility. During testing of the Office's receipts from these events, we noted:

- The Office failed to properly monitor the events held at the Mansion and the associated fees collected by the Association on behalf of the Office. No agreement was in place and the Office lacked procedures to ensure all fees collected by the Association were remitted to the Office.
- The Office reported \$5,375 in Governor's Mansion fees collected during Fiscal Year 2019 on its Agency Fee Imposition Report. However, with the lack of controls mentioned above, we were unable to determine if the fees reported were accurate and included all fees charged.

Even given the population limitations noted above, which hindered our ability to conclude whether selected samples were representative of the population as a whole, we performed tests of the Office's property and receipts and noted the matters

described in Findings 2019-002 and 2019-006 of the Office's report.

We recommended the Office:

- Evaluate the procedures and strengthen the controls over property and equipment purchased by the Association and then donated to the State, to ensure accurate record keeping and reporting of all State assets;
- Ensure balances reported on the Form C-15 accurately reflect Office records;
- Maintain adequate records and documentation of Office property activities;
- Implement controls to ensure all fees collected by the Association on behalf of the Office are remitted; and,
- Strengthen communication with the Association through a formal agreement to clarify activities performed on behalf of the Office by the Association.

The Office agreed with the finding and stated they had taken and continue to take steps to ensure all issues raised in the recommendations are addressed.

INACCURATE FINANCIAL REPORTING

The **Illinois Housing Development Authority** (Authority) has not established adequate internal controls over the financial reporting process and has not established adequate internal controls over the recording of financial transactions within its books and records.

During the year ended June 30, 2019, the Authority made a number of changes in the financial reporting process in an effort to address the deficiencies in internal control over financial reporting which were identified and reported in previous audits. The

COMPLIANCE

ACCOUNTABILITY (CONT.)

Authority has a complex financial reporting process/structure and the Authority has imposed an aggressive fiscal year-end financial reporting timeline and deadline. The Authority did not amend its year-end financial reporting process or reporting deadlines to permit personnel to be adequately prepared or to provide adequate time to complete all necessary financial reporting activities.

Additionally, the Authority did not establish additional oversight or monitoring procedures to ensure the financial statements were properly prepared and presented. As a result, the draft financial statements prepared by management contained several errors which required adjustments to the financial statements or reporting to those charged with governance.

During our audit of the financial statements as of and for the year ended June 30, 2019, some of the items we noted during the audit are as follows:

- The Authority incorrectly reported program loans receivable disbursements, repayments, and net program loan receivable amounts within footnote 5 of the financial statements for the Illinois Affordable Housing Trust Fund (IAHT), Home Program Fund (HOME) and Mortgage Loan Program Fund (MLP). The loan repayments and net program loans receivable were incorrectly reported by (\$2,041,000) in the IAHT, the loan repayments and net program loans receivable were incorrectly reported by (\$3,551,000) and (\$3,552,000) respectively, in the HOME and the loan disbursements, loan repayments and net program loans receivable were incorrectly reported by \$557,000, (\$2,873,000) and (\$2,316,000) respectively, in the MLP. A proposed adjustment for these differences was recorded by the Authority.
- The Authority incorrectly reported scheduled receipts of principal on gross program loans receivable in the Illinois Affordable Housing Trust Fund in the fiscal years subsequent to June 30, 2019 and thereafter, within footnote 5 of the financial statements. The fiscal year 2020 difference was \$1,404,000 and for the fiscal years after 2024 the difference was \$29,125,000.
- The Authority incorrectly reported scheduled receipts of principal on gross program loans receivable in the American Recovery and Reinvestment Act Fund in the fiscal years after 2024 within footnote 5 of the financial statements with a difference totaling \$44,611,000. A proposed adjustment for this difference was recorded by the Authority.
- The Authority incorrectly reported \$14,173,346 of fiscal year 2019 revenue to Nonmajor Governmental Funds as unearned revenue. A proposed adjustment for this error was recorded by the Authority.
- The Authority incorrectly reported the fiscal year 2019 debt activity of additions and deductions for Federal Home Loan Bank Advances within footnote 8 of the financial statements for the Administrative Fund. Specifically, additions and deductions were both overstated by \$14,000,000. As a result, proceeds from the sale of bonds and notes and principal paid on bonds and notes were overstated on the statement of cash flows. A proposed adjustment for this difference was recorded by the Authority.
- The Authority incorrectly classified \$22,580,000 of Housing Bonds Payable in the Mortgage Loan Program Fund as a noncurrent liability. The balance should be classified as a current liability as the related liquidity agreement expires within one year of June 30, 2019. A proposed adjustment for this difference was recorded by the Authority.
- The Authority incorrectly recorded an adjustment of \$466,662 to HOME federal funds revenue, resulting in an understatement of federal funds revenue within the HOME Program Fund and an overstatement of federal funds in the Nonmajor Governmental Funds for the year ended June 30, 2019. A proposed adjustment for this difference was recorded by the Authority.

ACCOUNTABILITY (CONT.)

- The Authority did not properly reconcile cash accounts and accounts payable suspense accounts at year end. As a result, cash was overstated by \$892,282, service fee revenue was understated by \$113,680, accrued liabilities and other was overstated by \$999,212, and other current assets was understated by \$6,750 for the Administrative Fund. A proposed adjustment for these differences was not recorded by the Authority.

In addition, the following amounts were incorrectly reported within footnote 5 related to risk sharing loans:

- The Authority originally reported the number of risk sharing loans as 50 while the correct amount was 43 resulting in a difference of (7) loans.
- The Authority originally reported the total dollar amount of risk sharing loans as \$293,555,629 while the correct amount was \$243,509,219 resulting in a difference of (\$50,046,410).
- Total loans financed within the Administrative Fund was originally reported by the Authority as \$12,282,036 while the correct amount was \$12,336,070 resulting in a difference of \$54,034.
- The Authority originally reported the number of participation loans as 29 when the correct number was 22 resulting in a difference of (7) loans.
- The Authority originally reported the total dollar amount of participation loans as \$170,055,851 while the correct amount was \$119,955,406 resulting in a difference of (\$50,100,445).
- The Authority originally reported the total dollar amount of beneficial ownership interests in loans sold to the Federal Financing Bank as \$113,980,000 while the correct amount was \$111,930,000 resulting in a difference of (\$2,050,000).

A proposed adjustment for these differences was recorded by the Authority.

The Authority incorrectly classified interest paid on revenue bonds and notes within the statement of cash flows as an operating activity rather than as a noncapital financing activity in the amounts of (\$982,880), (\$10,023,029) and (\$22,241,291) for the Administrative Fund, Mortgage Loan Program Fund, and Single Family Program Fund, respectively. Additionally, the Authority incorrectly classified bank note cash collateral as an adjustment to reconcile operating income to net cash used in operating activities rather than as a noncapital financing activity in the amount of (\$14,950,000) for the Administrative Fund. A proposed adjustment for these differences was recorded by the Authority.

We recommended the Authority review its current internal control policies and procedures to ensure financial transactions are accurately reported in the general ledger and the financial statements, including footnote disclosures.

Authority officials accepted the recommendation and stated they will implement appropriate internal controls and procedures to address the conditions noted within this finding.

LACK OF ADEQUATE CONTROLS OVER THE REVIEW OF INTERNAL CONTROLS OVER SERVICE PROVIDERS

The **Illinois Office of the State Treasurer** (Office) did not maintain adequate controls over external service providers.

The Office uses service providers and vendors to carry out various programs and operational activities. At the request of the auditors, the Office compiled a listing of service providers and summarized its monitoring efforts over the providers. In reviewing the documentation related

ACCOUNTABILITY (CONT.)

to monitoring of service providers, the auditors noted the following:

- The Office did not review the Service Organization Control (SOC) report for the Illinois Department of Innovation and Technology, the organization which provides the payroll application for Office employees. As a result, the Office did not identify deficiencies in the SOC report which may require mitigating controls be implemented by the Office.
- The Office utilized third-party service providers as the custodian of the Illinois Funds Program and as payment processors for the E-Pay Program. The service providers utilized external subservice organizations to perform certain significant services. The Office did not perform adequate monitoring efforts over significant subservice organizations utilized by the service providers.
- The Office utilized a service provider to manage the Achieving a Better Life Experience Program, which utilized an external subservice organization to perform certain significant services. During testing, the auditors noted the Office performed procedures designed to understand the external subservice organization's process and controls, but did not properly assess the sufficiency of the procedures related to financial reporting controls. In addition, the procedures performed were not sufficiently documented.

In addition, we noted the Office did not maintain a formal, centralized vendor management program which documented its evaluation of new service providers and vendors and its monitoring of existing service providers and vendors.

We recommended the Office identify all service providers and determine and document if a review of controls is required. If required, the Office should:

- Obtain SOC reports (or perform independent reviews) of internal controls associated with outsourced systems at least annually.

- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the usage of the subservice organizations would not impact the Office's internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Office, and any compensating controls.

In addition, we recommended the Office implement a formal and centralized vendor management program to determine the degree of monitoring required for each vendor and the appropriate complementary controls the Office should implement for each vendor.

The Office accepted our recommendation and stated they have started to develop a centralized vendor management program as part of a comprehensive updating of financial systems for the Office. The Office also stated they already obtain SOC reports of the outsourced systems deemed necessary on an annual basis, and in the one instance this was not done, it involved a State agency providing a service. Additionally, the Office stated SOC reports are obtained for the subservice organizations when deemed necessary and reviews of these reports are documented, to include all significant issues, corrective action plans and compensating controls.

INADEQUATE CONTROL OVER PROPERTY AND EQUIPMENT

The **Illinois State University** (University) lacked control over its property and equipment records used for State compliance reporting.

During testing, we noted the University's property records and systems had certain internal control problems that hindered our ability to conclude the

ACCOUNTABILITY (CONT.)

University's property records used for State compliance reporting were sufficiently complete and accurate. We noted the following:

- During testing of 40 deleted equipment items, we noted two items (5%), an uninterruptible power supply with an original cost of \$19,356 and a sound and video system with an original cost of \$22,187, had the date of the asset's deletion changed within the University's records from May 2013 and April 2017, respectively, to October 2018. In following up on this exception with University officials, they determined:
 - The University's system retaining its property records was improperly designed to allow its property control personnel to overwrite entries;
 - The University was using an improper date for when an asset is disposed of by the University, as property control personnel were recording the date they "deleted" an asset from the University's records as the date when the item was placed onto a wooden pallet and shrink-wrapped for transfer to the Department of Central Management Services (CMS), but not when CMS actually took physical custody of the asset; and,
 - The University had several pallets of items that had been shrink-wrapped over the past several years that had not been picked up by CMS; these items should have remained an asset of the University until picked up by CMS.
- The University performed an analysis of the 93 capital assets, with an original cost of \$1,366,404 and associated accumulated depreciation of \$1,364,017 at June 30, 2019, on these pallets and determined the beginning net position, capital assets, accumulated depreciation, and depreciation expense accounts were not materially misstated within the University's Fiscal Year 2019 financial statements.
- We were unable to agree the University's deletions reports to its quarterly Agency Report of State

Property (Form C-15s) filed with the Office of the State Comptroller during Fiscal Year 2019. We noted an unreconcilable difference of \$101,142. In following up on this exception with University officials, they determined the deletions data provided to us was determined by a date defined system query which does not represent actual disposals or journal entry postings to record a deleted item.

Due to these conditions, we were unable to conclude whether the University's population records used for State compliance reporting were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants to test the University's equipment. ***While the population limitations noted above which hindered our ability to conclude whether selected samples were representative of the population as a whole, we performed additional testing and noted the following:***

- The University's Form C-15 for the fourth quarter of Fiscal Year 2019 understated the beginning balance of total assets by \$3,516,892.
- During testing of 80 equipment items across the University, we noted the following:
 - One item (1%), a goniometer totaling \$119,900, was unable to be located and the University did not have any records to support the item had been disposed of by the University.
 - One item (1%), a computer totaling \$763, was obsolete and had not been identified as transferable equipment.
 - Four items (5%) were not properly tagged. We noted two items – a \$6,650 harpsicord and a \$3,300 drawing – without a tag and two items – a \$19,045 truck and a \$7,000 photograph – where the tag did not match the University's records.

COMPLIANCE

ACCOUNTABILITY (CONT.)

We recommended the University implement corrective action to ensure data changes within its property records cannot be performed without adequate review and approval, assets are recorded as transferred on the date an item is physically delivered to the custody of CMS, and work with CMS to either transfer the accumulated backlog of shrink-wrapped pallets or dispose of the items. Further, we recommended the University implement controls to ensure deleted items are promptly entered in the University's accounting and property records and the quarterly Form C-15 reports agree with these entries. In addition, we recommended the University conduct an inventory to identify and tag equipment items with a net asset value of \$1,000 or more in service at the University and conduct a diligent search for the missing goniometer to determine if it was lost or stolen and report the matter to the appropriate authorities.

University officials agreed with our recommendation.

FAILURE TO ADHERE TO THE PROVISIONS OF THE FISCAL CONTROL AND INTERNAL AUDITING ACT

The **Department of Central Management Services** (Department) entered into interagency agreements that failed to adhere to the provisions of the Fiscal Control and Internal Auditing Act.

During the engagement period, the Department entered into interagency agreements with the following designated State agencies to provide internal audit services. These agencies were required to maintain their own full-time program of internal auditing:

- Illinois Department of Agriculture
- Illinois Department of Corrections
- Illinois Department of Financial and Professional Regulation
- Illinois Department of Human Rights
- Illinois Department of Labor

- Illinois Department of Insurance
- Illinois Finance Authority

We noted the following issues with these interagency agreements:

- The agreements ultimately resulted in these seven agencies not maintaining their own full-time internal audit function and not having their own Chief Internal Auditor.
- The Department did not obtain the Governor's approval for the Department to provide professional internal auditing services to these State agencies.
- The Department inconsistently established reimbursement arrangements for these agreements and did not follow any of the reimbursement arrangements in the interagency agreements.
- The Department was not able to provide sufficient and appropriate audit evidence to document how they tracked the work performed and allocated the costs of their internal auditing services for these agencies. As a result, we were unable to audit the cost of the Department's internal audit services provided to these agencies.

We recommended the Department not enter into interagency agreements which result in agencies not maintaining their own full-time internal audit function. We also recommended any other services provided to agencies be done only with the approval of the Governor. Finally, we recommended the Department update its billing practices to ensure support for all billings is created and maintained.

The Department accepted the recommendation. The Department stated they have encouraged all agencies to find a qualified Chief Internal Auditor, and that during the audit period, they issued fifty audit reports to agencies that would have not otherwise had internal audits completed.

ACCOUNTABILITY (CONT.)

FAILURE TO ADOPT FORMAL RULES FOR AGENCY AND GRANT PROCEDURES

The **Illinois Arts Council** (Council) did not draft or adopt formal agency rules, including rules relating to grant procedures. Grant expenditures were \$12,141,106 and \$8,888,367 for Fiscal Years 2019 and 2018, respectively.

We recommended the Council draft organizational rules and grant procedures and work with the Joint Committee on Administrative Rules (JCAR) for assistance with the formal adoption process.

The Council agreed with the finding and stated they would continue to seek guidance from the Office of the Governor. Additionally, the Council stated they lacked the resources to engage consultants with expertise to formalize its rules in the JCAR process.

NONCOMPLIANCE WITH THE COLLEGE STUDENT IMMUNIZATION ACT

The **Northeastern Illinois University** (University) did not comply with the requirements of the College Student Immunization Act (Act).

University officials stated the University does not interpret the Act as applicable because the University does not own, operate, and maintain the student housing facility.

However, in Fiscal Year 2015, the University entered into a ground lease agreement as a lessor to lease its land to a lessee to develop, finance, construct, and operate the University's student housing facility. The student housing facility opened for occupancy in fall 2016.

During testing of 25 students enrolled in the academic year 2018-2019, we noted the following:

- The University did not obtain proof of immunizations against preventable communicable diseases for 14 (56%) students, of which 11 students enrolled in the subsequent semester without providing proof of immunization.
- The University did not inform 9 (36%) students of their incomplete immunization as prescribed by the Act and allowed these students to enroll in the subsequent semester.

In addition, the University did not file a report with the Department of Public Health (Department) as required by the Act.

We recommended the University require and maintain for inspection proof of immunization from students prior to allowing the students to attend the University. We also recommended the University file the required reports to the Department in compliance with the Act.

University officials agreed with the finding. ❖

COMPLIANCE

STATEWIDE SINGLE AUDIT UPDATE

The purpose of the Statewide Single Audit is to fulfill the State mandate in accepting federal funding. It includes all State agencies that are part of the primary government and expend federal awards. In total, 44 Illinois State agencies expended federal financial assistance in FY 2019.

The schedule of expenditures of federal awards reflects total expenditures of \$26.710 billion for the year ended June 30, 2019. Overall, the State participated in 321 different federal programs, however, 10 of these programs or program clusters accounted for 87.9% of the total federal award expenditures.

FEDERAL AGENCIES PROVIDING FEDERAL FUNDING <i>For the year ended June 30, 2019</i>	
<i>U.S. Department</i>	<i>Millions</i>
Health & Human Services	\$ 14,001.1
Education	4,897.9
Agriculture	3,831.0
Labor	1,958.0
Transportation	1,391.0
All Others	631.0
Total Federal Award Expenditures	\$ 26,710.0

Source: FY2019 State of Illinois Single Audit Report

Overall, 11 State agencies accounted for approximately 98.7% of all federal dollars spent during FY2019.

SUMMARY OF FEDERAL SPENDING BY STATE AGENCY <i>For the year ended June 30, 2019</i>	
<i>Agency</i>	<i>Millions</i>
Healthcare & Family Services	\$ 11,584.9
Human Services	4,679.6
Student Assistance Commission	3,293.1
Board of Education	2,282.5
Employment Security	1,800.8
Transportation	1,387.2
Commerce & Economic Opportunity	422.9
Children & Family Services	378.6
Public Health	264.3
Environmental Protection Agency	178.9
Emergency Management Agency	82.0
All Others	355.2
Total Federal Spending	\$ 26,710.0

Source: FY2019 State of Illinois Supplemental Report of Federal Expenditures by Agency/Program Fund.

Our audit testing focused primarily on the 33 major programs expending about \$25.6 billion in federal awards.

Our report contained 69 findings related to 14 State agencies.





THE PERFORMANCE AUDIT PROGRAM

Performance audits are conducted at the request of legislators to assist them in their oversight function. Based on the scope specified in the resolution or the law requesting the audit, State agencies' programs, functions, and activities are reviewed. The audits determine if the services are provided as intended by the General Assembly and directly impact and improve agency operations.

The General Assembly uses performance audit information to develop legislation, to deal with budgetary issues, and to direct agencies to improve programs. Some audits produce immediate changes. For example, the 2019 performance audit of the *Department of Children and Family Services Investigations of Abuse and Neglect* identified several issues related to investigations of child abuse and neglect. Legislation was passed in the Spring of 2019 (Public Act 101-0528) to establish a process by which both unfounded reports and indicated reports of abuse and neglect undergo further review. In addition, the Department is required to file reports about these reviews with the General Assembly. The audit also highlighted issues with the Department's child abuse hotline. Subsequently, a State Senator requested a review of the hotline. The Department contracted with the University of Illinois' Children and Family Research Center which conducted the review and issued a report in November 2019 that included 11 recommendations to the Department.

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

The National State Auditors Association (NSAA) established the Excellence in Accountability Awards Program in 2003 to recognize outstanding performance audits and special projects. Performance audits performed by the Office of the Auditor General (OAG) have received five NSAA awards in past years:

- 2014 *Neighborhood Recovery Initiative audit* (Honorable Mention);

- 2012 *Management Audit of the Department of State Police's Administration of the Firearm Owner's Identification Act*;
- 2007 *Performance Audit of the Mass Transit Agencies of Northeastern Illinois: RTA, CTA, Metra, and Pace*;
- 2004 *Management and Program Audit of the Rend Lake Conservancy District*; and
- 2003 *Management Audit of the Illinois State Toll Highway Authority*.

Another national organization, the National Legislative Program Evaluation Society (NLPES) also has an Impact Award that is given annually to audits that demonstrate significant dollar savings, program improvements, or impact from a legislative and public perspective. The OAG has received the NLPES award for many audits as well:

- 2019 *Performance Audit of Legionnaires' Disease at the Quincy Veterans' Home*
- 2018 *Performance Audit of Medicaid Managed Care Organizations*;
- 2016 *Program Audit of the College of DuPage*;
- 2014 *Neighborhood Recovery Initiative Audit*;
- 2012 *Management Audit of the College Illinois! Prepaid Tuition Program's Administrative Operations*;
- 2012 *Management Audit of the Department of State Police's Administration of the Firearm Owner's Identification Act*;
- 2011 *Management Audit of the State's Financial Reporting System*;
- 2010 *Program Audit of the Covering ALL KIDS Health Insurance Program*;
- 2009 *Management and Program Audit of the Illinois State Police's Division of Forensic Services*;
- 2008 *Performance Audit of the Department of Healthcare and Family Services' Prompt Payment Act Compliance and Medicaid Payment Process*;
- 2007 *Performance Audit of the Mass Transit Agencies of Northeastern Illinois*;
- 2006 *Management Audit of the Flu Vaccine Procurement and the I-SaveRx Program*;

THE PERFORMANCE AUDIT PROGRAM (CONT.)

- 2004 Management and Program Audit of the Rend Lake Conservancy District;
- 2003 Management Audit of the Illinois State Toll Highway Authority;
- 2002 Management Audit of Agency Use of Internet User Tracking Technology;
- 2001 State Board of Education and Other State Agencies Providing Funding to Illinois' Regional Offices of Education;
- 2000 Management Audit of Child Support State Disbursement Unit;
- 1999 Management Audit of the Pilsen Little Village Community Mental Health Center; and
- 1998 Management Audit of Tuition and Fee Waivers.



PERFORMANCE AUDITS COMPLETED IN 2020

The Auditor General released three performance audits and three reviews in 2020. The performance audits released are listed below. Performance audits released in 2020 included 24 recommendations for improvement.

In addition, the Performance Audit Division had the responsibility for 35 audits of Regional Offices of Education (ROEs) and 3 Intermediate Service Centers (ISCs) which covered Fiscal Year 2019. The FY19 ROE audits released in 2020 contained a total of 41 recommendations for improvement.

SELECTION OF INDEPENDENT SERVICE COORDINATION (ISC) AGENCIES

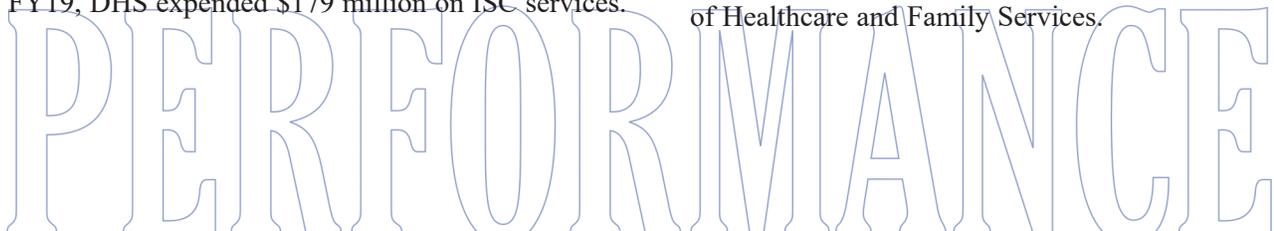
On September 11, 2018, the **Department of Human Services** (DHS) posted a notice seeking proposals to provide Independent Service Coordination (ISC) services beginning July 1, 2019. This Notice of Funding Opportunity (NOFO) proposal process was the first time DHS had requested to competitively procure these services, services which have been provided for nearly 30 years. For the period FY15-FY19, DHS expended \$179 million on ISC services.

During the audit we found:

- DHS, prior to issuing the NOFO, reduced the number of ISC regions from 17 to 12. These 12 regions were awarded to eight ISCs.
- Six FY19 ISCs chose not to submit proposals for the NOFO.
- After the ISC awards were announced, the nine ISCs that did not receive an award experienced a drop in State funding or closed completely.
- After announcement of winning proposals, four ISCs and a guardian of an individual with developmental disabilities filed suit against DHS in two separate courts.
- DHS did not provide accurate information to the General Assembly on matters relative to the ISC NOFO.

From a planning perspective we found:

- DHS has stated the competitive selection process for the ISC services was driven by the requirements of the Grant Accountability and Transparency Act (GATA). However, the DHS position was incorrect – ISC services were exempt from competitive bidding based on the Medicaid exemption to GATA, according to the Department of Healthcare and Family Services.



PERFORMANCE AUDITS COMPLETED IN 2020 (CONT.)

- DHS developed scoring parameters that contained a number of deficiencies.
- DHS failed to adopt administrative rules relative to GATA and also did not have policies and procedures for conducting a NOFO process prior to the actual procurement process.
- DHS evaluators spent a marginal amount of time on the evaluation. Only two days were budgeted for evaluation even though DHS had the proposals for 17 days.

From an evaluation perspective we found:

- DHS did not develop and maintain evaluator meeting minutes for the three evaluation groups that scored the ISC proposals.
- DHS failed to follow the selection criteria for awarding ISC services for FY20.
- That evaluation criteria were not uniformly applied in the ISC NOFO. DHS failed to review whether the evaluation team for the ISC NOFO followed scoring parameter guidance when assigning scores. This failure, based on our assessment of the scoring, resulted in three instances where a different ISC may have been selected. In two of the three instances the ISCs went out of business. This analysis was constructed by re-scoring proposals based on, as noted earlier, a scoring instrument that contained some flawed parameters. These were, however, the parameters used to score proposals. Given the flawed scoring instrument and other uncertainties with scoring, such as a lack of discussion of scoring differences, we cannot say with absolute certainty which proposer should ultimately have won the award. Overall, we found 274 scoring irregularities in DHS documentation for the regions where there was competition.
- DHS did not maintain documentation to show how appeals to the ISC NOFO selections were determined.

The audit contained a total of 13 recommendations directed to the Department of Human Services and a Matter for Consideration for the General Assembly.

ECONOMIC DEVELOPMENT FOR A GROWING ECONOMY (EDGE) TAX CREDIT PROGRAM

On June 1, 2019, the Illinois House of Representatives adopted Resolution Number 381, which directed the Office of the Auditor General to conduct a performance audit of the **Department of Commerce and Economic Opportunity's** (DCEO) Economic Development for a Growing Economy (EDGE) tax credit program. The audit found:

- DCEO did not maintain documentation to adequately and accurately administer the EDGE tax credit program. Auditors tested EDGE program applications approved by DCEO in 2018 and found incomplete files and missing documentation required by the EDGE Tax Credit Act (35 ILCS 10/5) (Act), Administrative Code (14 Ill. Adm. Code 527), and the EDGE tax credit program application. All 39 of the EDGE program application files tested were missing required documentation.
- DCEO did not adequately monitor the EDGE program. When requested by auditors, DCEO could not produce two necessary pieces of basic information related to the EDGE program: (1) the number of active agreements in 2017; and (2) the number of tax credits issued in 2018 (the tax credits issued in 2018 are primarily for meeting the necessary requirements in 2017).
- In addition to determining that there was not a consistent source of EDGE programmatic information at DCEO, auditors also determined that the information reported in the 2018 Annual Report was incomplete and inaccurate. The report contained information that could not be verified by any data source provided to auditors by DCEO.
- While DCEO was meeting many of the basic requirements of the EDGE Tax Credit Act, it was not in compliance with several applicable sections of the Act due to a lack of internal controls. Additionally, DCEO did not have any policy or procedure manuals to help employees administer the EDGE program. Noncompliance with the Act included missing information required by the Act, a lack of required staffing, and the use of a

PERFORMANCE AUDITS COMPLETED IN 2020 (CONT.)

Business Investment Committee not consisting of the statutorily required members.

- A biennial report assessing the effectiveness of the program has been required since 1999. DCEO produced its first biennial report on October 31, 2019.
- The Act includes requirements and practices no longer used by DCEO. This includes changes related to how the tax credit amount is determined and the inclusion of copies of agreements in the EDGE Annual Report. In addition, the Act did not include specific information necessary to adequately administer the EDGE program including specific guidance on what evidence is necessary to determine proof of incentives available from other states and guidance related to residency requirements.

The audit contained a total of six recommendations directed to the Department of Commerce and Economic Opportunity.

COVERING ALL KIDS HEALTH INSURANCE PROGRAM (FISCAL YEAR 2018)

Public Act 95-985 amended the Covering ALL KIDS Health Insurance Act (215 ILCS 170/63) directing the Auditor General to annually audit the EXPANDED ALL KIDS program beginning June 30, 2008, and each June 30th thereafter. This tenth annual audit (FY18) followed up on the **Department of Healthcare and Family Services'** (HFS) and the **Department of Human Services'** (DHS) actions to address prior audit findings.

Integrated Eligibility System (IES) Phase II was implemented during FY18. FY18 data was obtained and reported in this audit as required but there are limitations affecting the accuracy of this data. HFS

and DHS agreed with all five recommendations in the audit report.

- In FY18, there were 93,944 enrollees at any point in EXPANDED ALL KIDS and the total cost of services provided was \$104.3 million.
- The total number of recipients as of June 30th was 66,353 in FY17 and 63,255 in FY18. Both citizens and undocumented immigrants slightly decreased in FY18.
- In FY17, we found that 2,411 of the 33,531 recipients (7%) were not redetermined annually as required. In FY18, this recommendation was repeated because we could not follow up on this recommendation for FY18.
- In FY18, 689 recipients received 3,638 services totaling \$475,813 after the month of their 19th birthday. Additionally, there were 181 individuals who appeared to be enrolled with more than one identification number.
- HFS and DHS did not identify the correct citizenship status for 4,204 recipients, and as a result, the State lost an estimated \$2.6 million in federal matching Medicaid funds in FY18. The State also lost federal matching Medicaid funds in FY15 through FY17 – for an estimated total of \$10.7 million lost in federal reimbursement over the last four fiscal years. This issue has been reported since the FY09 ALL KIDS audit.
- We tested 40 initial eligibility cases, 40 redetermined cases, and 15 additional undocumented redetermined cases as part of our fieldwork testing for FY18.
 - We found 42 percent of initial cases, 15 percent of redetermined cases, and 40 percent of additional redetermined cases were coded as “undocumented” even though we found evidence supporting citizenship or documented immigrant status.
 - We also found HFS and DHS were missing at

PERFORMANCE

PERFORMANCE AUDITS COMPLETED IN 2020 (CONT.)

least one piece of required documentation (residency, age, and/or one month's income verification) in 35 percent of initial eligibility cases, 20 percent of redetermined cases, and 67 percent of additional redetermined cases.

- The updated FY17 recommendation on policies covering orthodontic treatment was repeated in FY18. HFS did not have sufficient time to address these updates on more effectively monitoring orthodontic recipients under the MCO part of the program and reviewing membership requirements for the Dental Policy Review Committee.
- Public Act 101-0272, effective August 9, 2019, amended the Covering ALL KIDS Health Insurance Act. As a result, the ALL KIDS audit will change from being performed annually to being performed every three years.

The audit contained a total of five recommendations. Three recommendations were directed to both HFS and DHS. Two recommendations were directed just to HFS.

REGIONAL OFFICES OF EDUCATION AUDITS

In addition to other duties, the Auditor General has the responsibility for annual audits of the financial statements of the regional superintendent of schools of each educational service region in the State.

There were a total of 38 Fiscal Year 2019 audits the Auditor General had the responsibility for: 35 of Regional Offices of Education (ROEs) and 3 of Intermediate Service Centers (ISCs). Our Office arranged for auditing firms to perform these audits under the general direction and management of the Auditor General's audit managers.

The FY19 ROE audits released in 2020 contained a total of 41 recommendations for improvement. Most of the recommendations dealt with the ROEs not having sufficient internal controls including controls over their financial reporting processes.

PERFORMANCE AUDITS IN PROGRESS

DEPARTMENT OF CHILDREN AND FAMILY SERVICES' LGBTQ YOUTH IN CARE

On May 31, 2019, Senate Resolution Number 403 was adopted and directs the Auditor General to conduct a performance audit of the Department of Children and Family Services' compliance with its obligations to protect and affirm children and youth who are lesbian, gay, bisexual, transgender, questioning, or queer. The Resolution specifically requires the audit to include, examining the operations and management of the Department of Children and Family Services and its contractors to perform their duties in accordance with the Foster Children's Bill of Rights Act (20 ILCS 521/1) and Appendix K to Procedures 302 "Support and Well-Being of Lesbian, Gay, Bisexual, Transgender and Questioning (LGBTQ) Children and Youth" as follows:

- The Department of Children and Family Services' implementation of and adherence to Appendix K to Procedure 302 and the Foster Children's Bill of Rights;
- The Department of Children and Family Services' contractors' implementation of and adherence to Appendix K of Procedure 302 and the Foster Children's Bill of Rights;
- How and with what frequency the Department of Children and Family Services and its contractors' employees are trained on sexual orientation, gender identity, and the requirements of Appendix K, and whether the training is sufficient to demonstrate appropriate application to fieldwork;
- How employee and contract oversight ensure accountability and corrective actions;
- The method by which the Department of Children and Family Services assesses, monitors, and acts

PERFORMANCE AUDITS IN PROGRESS (CONT.)

- to make certain its contracted providers have adopted LGBTQ-affirming, nondiscrimination policies that are at least as extensive as Appendix K, including policies providing for employee discipline up to and including termination and for conduct in violation of the non-discrimination policy;
- The methods by which information about youth gender-identity is sought, the format and locations in which this information is maintained, and the practices utilized for privacy protections;
 - Actions taken by the Department of Children and Family Services and its contractors in licensing to require foster parents' commitment to provide care and homes that are affirming of all children and youth, regardless of sexual orientation or gender identity;
 - The process by which the Department of Children and Family Services ensures that children or youth who identify as lesbian, gay, bisexual, transgender, questioning or queer are matched with placements that are affirming of those youths' sexual orientation and gender identity; and
 - The current gap in placement and service capacity to meet needs and efforts made to recruit homes affirming of lesbian, gay, bisexual, transgender and questioning or queer children and youth.

The Resolution further requires that the audit include the following determinations as they pertain to children (up to the age of 21) in the care of the Department of Children and Family Services in calendar years 2017 and 2018:

- Whether youth in care are made aware of their rights and know how to report violations of these rights, the experiences of youth who have reported violations, recommendations made by youth in care to improve their ability to meaningfully exercise their rights, and how the Department of Children and Family Services incorporates such recommendations in policy development;

- The number of youth in care identifying as (a) lesbian, (b) gay, (c) bisexual, (d) transgender, (e) questioning, (f) gender non-conforming, (g) another minority sexual orientation or gender identity, or (g) more than one of the aforementioned identifications during the review period;
- For each youth in subsection (2), the length of stay in out-of-home care, case permanency goals, frequency of sibling visitation, as applicable;
- For each youth in subsection (2), the number, type, and duration of each placement designated foster home, group home, residential treatment center, detention or correctional setting, psychiatric hospital, transitional living program, or shelter home; whether and how the youth in care participated in placement planning and determination; whether and how gender identity was considered for placement selection and whether the youth was placed according to their gender identity (as opposed to their sex assigned at birth as reflected on their birth certificate); reasons for placement disruptions, if applicable;
- For each youth in subsection (2), the number of each incident categorized as running away, contact with police or the justice system, crisis hospitalization, hospitalization beyond medical necessity, reported victim of assault, school-related disciplinary infractions, school-related bullying or harassment, removal from a placement at the request of a provider or caregiver, removal from a placement at the request of the youth, subject of abuse or neglect allegations while in out-of-home care, detained in a correctional setting beyond release due to lack of identified placement;
- Whether the youth in subsection (2) were provided opportunities to engage in normalcy activities (e.g., participation in activities typical of their peer and age group) consistent with their gender identity;
- Whether the data findings for subsections (1), (3), (4), (5), (6) differ from that of the general population of youth in care or whether the data

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PERFORMANCE AUDITS IN PROGRESS (CONT.)

differs based on the geographic placement of the youth in care;

- The number of providers designated as clinically appropriate to provide housing or services to youth who identify as lesbian, gay, bisexual, transgender, or questioning available to youth in care and the number of youth utilizing those providers for services or supports;
- The number of transgender youth in care who have requested (whether formally or informally) transition-related hormone therapy or consultation services regarding this treatment; the number of youth the Department of Children and Family Services did not refer for treatment, the qualifications of staff making the determination, and justification; the number of youth who received their requested care and whether this was delivered by a qualified provider; and the length of time from the youth's request to a service referral being made to referral resulting in service delivery; and information regarding barriers to service access, bureaucratic hierarchy and hurdles, and efforts made to address these issues; and
- The number of youth in care in need of treatment for gender dysphoria and how this need is identified; the number of youth the Department of Children and Family Services did not refer for treatment, the qualifications of staff making the determination, and justification; the number of youth receiving this care and whether it was provided by a qualified clinician; the length of time from need being identified to service referral being made to referral resulting in service delivery; and information regarding barriers to service access, bureaucratic hierarchy and hurdles, and efforts made to address these issues.

The audit resolution has a total of 19 determinations which, when broken down, contain 63 individual objectives or questions that must be answered.

VENDOR PAYMENT PROGRAM

On August 24, 2018, the Governor signed into law Public Act 100-1089, which amended the State Prompt Payment Act (Act) to codify the Vendor Payment Program (Program). The Auditor General

was directed to conduct a performance audit of the Program established under Section 8 of the Act.

The audit shall include, but not be limited to, a review of the administration of the Program and compliance with requirements applicable to participating vendors, qualified purchasers, qualified accounts receivable, and financial backer disclosures.

The audit shall cover Program operations for fiscal years 2019 and 2020.

ILLINOIS POWER AGENCY

On July 21, 2020, the Legislative Audit Commission adopted Resolution Number 153, which directed the Office of the Auditor General to conduct a performance audit of the Illinois renewable portfolio standard and the Illinois Power Agency's management of the Renewable Energy Credit procurement process and Adjustable Block Program. The Resolution included the following determinations:

- A determination of the average price of renewable energy credits under contract entered into by electric utilities in the state since June 1, 2017 for the following:
 - Utility scale wind renewable energy credits (generates electricity using wind and has a capacity that is greater than 2,000 kilowatts);
 - Utility scale solar renewable energy credits (generates electricity using photovoltaic cells and has a capacity that is greater than 2,000 kilowatts);
 - Brownfield solar renewable energy credits (photovoltaic project on land that is regulated by either the U.S. or Illinois Environmental Protection Agency);
 - Community solar renewable energy credits;
 - Renewable energy credits from distributed solar with a nameplate capacity of no more than 10 kilowatts; and
 - Renewable energy credits from distributed solar with a nameplate capacity of more than 10 kilowatts but no more than 2000 kilowatts.

PERFORMANCE AUDITS IN PROGRESS (CONT.)

- Whether the Illinois Power Agency followed established rules and regulations during the procurement process;
 - Given that applications exceeded available Renewable Energy Credit awards by more than 20 times, how the Illinois Power Agency administratively determined the value of community solar Renewable Energy Credits;
 - Whether the developers of these community solar facilities are located within or outside of Illinois;
 - If the Illinois Power Agency tracked whether the owners of the community solar facilities have changed ownership or registered in another State since being awarded Renewable Energy Credits under the program;
 - Whether the Illinois Power Agency is able to demonstrate that the funds awarded under the program are being spent efficiently and that the vendors receiving contract awards are being fully vetted;
 - Whether the Illinois Power Agency is maximizing the use of these dollars to increase the Renewable Portfolio Standard for the State of Illinois;
 - What factors the Illinois Power Agency used when selecting winning developers related to community and rooftop solar; and
 - Whether there are any rules in the procurement process that ensure diverse companies are being utilized for solar development projects.
- Whether the Department has fully implemented a Prescription Monitoring Program in accordance with State requirements including whether updated rules were adopted within one year of the effective date of the Public Act and whether all Electronic Health Records Systems were able to interface with the Prescription Monitoring Program application program on or before January 1, 2021;
 - Whether the Department is adequately monitoring the Program and using this information to ensure the Program is administered as required;
 - Whether the Program and its database are effective in helping Illinois patients by requesting program assessment information from the Department and data from the database showing changes in the number and type of drug-related issues (such as deaths, abuse, overprescribing) since the implementation of State requirements;
 - Whether the Department's database is accurate and up-to-date including if the information submitted by dispensers is complete and timely; and
 - Whether the Department is utilizing its authority to impose fines when dispensing reporting requirements are not being reported as required for the Program.

PRESCRIPTION MONITORING PROGRAM

On July 21, 2020, the Legislative Audit Commission passed Resolution Number 154 directing the Auditor General to conduct a performance audit of the Prescription Monitoring Program operated by the Department of Human Services. The Resolution requires that the audit include the following determinations:

FOID CARD/CONCEALED CARRY

On July 21, 2020, the Legislative Audit Commission approved Resolution 155 requiring a management audit of the Illinois State Police's administration of the Firearm Owners Identification Card Act (430 ILCS 65/) and the Firearm Concealed Carry Act (430 ILCS 66/). Specifically, the audit is to include, for calendar years 2018 and 2019:

- What steps the Department takes to determine whether an applicant is eligible or ineligible to receive a Firearm Owner's Identification Card and a Firearm Concealed Carry License;

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PERFORMANCE AUDITS IN PROGRESS (CONT.)

- The total number of Firearm Owner's Identification Card or Concealed Carry License applicants during the past two calendar years, the number of those applicants approved, and the number who were denied, and the reasons for denials;
- Whether the Department is approving or denying all new Firearm Owner's Identification Card applications within 30 days after the date they are received;
- Whether the Department is approving or denying all Firearm Owner's Identification Card renewal applications within 60 days after the date they are received;
- Whether the Department is approving or denying all new Concealed Carry applications within timeframes required by the Firearm Concealed Carry Act;
- The total number of Firearm Owner's Identification Cards and Firearm Concealed Carry Licenses revoked during the last two calendar years and the reason for the revocations;
- Whether the Department is receiving revoked Firearm Owner's Identification Cards and Firearm Concealed Carry Licenses from local law enforcement as required; and
- Whether the Department has procedures in place to ensure that all firearms are transferred from persons whose Firearm Owner's Identification Cards were revoked.

DEPARTMENT OF HUMAN SERVICES' OFFICE OF THE INSPECTOR GENERAL

The Department of Human Services Act directs the Auditor General to conduct a program audit of the Department of Human Services, Office of the Inspector General on an as needed basis (20 ILCS 1305/1-17(w)). The Act specifically requires the audit to include the Inspector General's compliance with the Act and effectiveness in investigating reports of allegations occurring in any facility or agency.

This will be the 13th audit the Auditor General has conducted of the OIG since 1990. The most recent audit was released in December 2017.

REGIONAL OFFICES OF EDUCATION

Since 2002, the School Code (105 ILCS 5/2-3.17a) has required the Auditor General's Office to conduct annual audits of the financial statements of all accounts, funds, and other moneys in the care, custody, or control of the regional superintendent of schools of each educational service region in the State. For Fiscal Year 2020, a total of 38 audits are to be performed. ❖

OAG FRAUD HOTLINE

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

The toll free number is 1-855-217-1895. The hotline is available 24 hours a day, 7 days a week. Live operators are generally available Monday-Friday from 8:00 a.m. to 4:00 p.m. (CST).

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

- Complete the Fraud Reporting Form on-line located on the OAG web-site (www.auditor.illinois.gov);
- E-mail a description of the allegation to: Hotline@auditor.illinois.gov;
- Contact the Auditor General via telecommunications device for the disabled (TTY) at 1-888-261-2887; or

- Send a written report via the U.S. Postal Service to the following address:
Fraud Hotline, Auditor General's Office,
740 E. Ash St., Springfield, IL 62703.

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

More information regarding the reporting of fraud allegations can be found at the Fraud Hotline section of the OAG website. Jurisdiction of the Fraud Hotline does not include the legislative or judicial branches of government, nor units of local government. Other resources the public may use to report fraud if it is outside of the jurisdiction of the OAG can also be found on the website. Even if the Auditor General's Office does not have jurisdiction over the allegation, our hotline manager will try to direct the caller to another State, federal, or local agency that may be able to help.



THE INFORMATION SYSTEMS AUDIT PROGRAM

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



TESTING CONTROLS AND SYSTEMS

The Auditor General's office plans to continue to emphasize the review of information system controls at State agencies. In 2020, we performed information system reviews at the following agencies:

Department of Central Management Services, Department of Healthcare and Family Services, Department of Human Services, Department of Innovation & Technology, Department of the Lottery, Department of Public Health, Eastern Illinois University, Illinois Criminal Justice Information Authority, Illinois Emergency Management Agency, Illinois State Toll Highway Authority, Illinois Worker's Compensation Commission, Northeastern Illinois University, Office of the Comptroller, Office of the Secretary of State, Office of the State Treasurer, State Board of Elections, State Employees' Retirement System, University of Illinois, and Western Illinois University.

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

◆
INFO. SYSTEMS

Thirteen agencies — **Chicago State University, Department of Employment Security, Department of Healthcare and Family Services, Department of Human Rights, Department of Human Services, Department of the Lottery, Department of Revenue, Governors State University, Guardianship and Advocacy Commission, Illinois Emergency Management Agency, Illinois State University, Northeastern Illinois University and Western Illinois University** — had not established adequate controls for securing their computer resources. We recommended that these agencies evaluate their computer environments and ensure adequate security controls and policies exist to safeguard computer resources.

Six agencies — **Abraham Lincoln Presidential Library and Museum, Department of the Lottery, Department of Public Health, Eastern Illinois University, Northeastern Illinois University, and Office of the Secretary of State** — had not completed all requirements to demonstrate full compliance with the Payment Card Industry Data Security Standards. We recommended that these agencies at least annually assess each program accepting credit card payments, review and validate its environment, and ensure agreements with service providers are current and maintained.

Four agencies — **Department of Healthcare and Family Services, Department of Human Services, Illinois Worker’s Compensation Commission and State Board of Elections** — had not implemented an effective change management process to ensure changes to computer applications were properly approved, tested, and documented. We recommended that these agencies develop and implement change management standards to ensure adequate oversight of all changes to computer applications.

Thirteen agencies — **Department of Central Management Services, Department of Healthcare**

and Family Services, Department of Human Services, Department of the Lottery, Eastern Illinois University, Governor’s Office of Management and Budget, Northeastern Illinois University, Office of the Secretary of State, Office of the State Treasurer, Southern Illinois University, Supreme Court, University of Illinois, and Western Illinois University — did not perform and document internal control reviews of all external data processing related service providers. We recommended that these agencies obtain or perform independent reviews of internal controls associated with service providers at least annually.

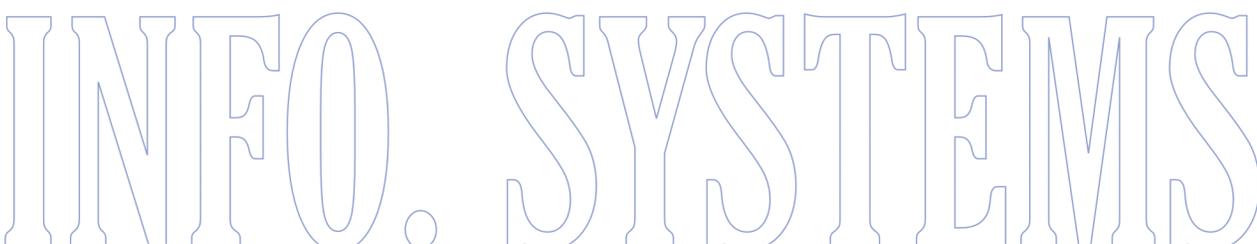
Eight agencies — **Department of Healthcare and Family Services, Department of Human Services, Department of Labor, Illinois State University, Northeastern Illinois University, Northern Illinois University, State Board of Elections, and Western Illinois University** — had not adequately developed or tested recovery plans to provide for continuation of critical computer operations in the event of a disaster. We recommended that these agencies develop and test disaster contingency plans.

CYBERSECURITY AUDITS

Public Act 100-914 amended the Illinois State Auditing Act (30 ILCS 5/3-2.4 new) to specifically include Cybersecurity as part of our Compliance Examination program with an effective date of January 1, 2019.

Sec. 3-2.4. Cybersecurity audit.

(a) In conjunction with its annual compliance examination program, the Auditor General shall review State agencies and their cybersecurity programs and practices, with a particular focus on



ISA FINDINGS (CONT.)

agencies holding large volumes of personal information.

(b) The review required under this Section shall, at a minimum, assess the following:

- (1) the effectiveness of State agency cybersecurity practices;
- (2) the risks or vulnerabilities of the cybersecurity systems used by State agencies;
- (3) the types of information that are most susceptible to attack;
- (4) ways to improve cybersecurity and eliminate vulnerabilities to State cybersecurity systems; and
- (5) any other information concerning the cybersecurity of State agencies that the Auditor General deems necessary and proper.

(c) Any findings resulting from the testing conducted under this section shall be included within the applicable State agency's compliance examination report

To address the amendment, for compliance examinations for the period ended June 30, 2019, we did the following:

- Updated the Compliance Audit Guide to include specific questions concerning cybersecurity practices, policies and procedures, training, roles and responsibilities, risk assessments, and data classifications. In addition, we provided guidance to assist audit staff and contractors in obtaining and reviewing documentation to support responses.
- Performed detailed testing at 20 agencies considered higher risk as part of the June 30, 2019 compliance examinations. We provided these agencies with detailed information regarding our analysis and, if appropriate, we developed findings.

As a result of our new process, we identified significant weaknesses at 13 agencies: **Department of Central Management Services, Department of Employment Security, Department of Human Services, Department of Labor, Department of**

the Lottery, Eastern Illinois University, Governors State University, Guardianship and Advocacy Commission, Human Rights Commission, Illinois Independent Tax Tribunal, Illinois Workers' Compensation Commission, Northeastern Illinois University, and State Board of Elections.

To promote agencies' responsibility to ensure that confidential information is protected from accidental or unauthorized disclosure, we generally recommended they:

- Establish and document cybersecurity roles and responsibilities.
- Establish and communicate policies, procedures and processes to manage and monitor the regulatory, legal, environmental and operational requirements.
- Perform a comprehensive risk assessment to identify and ensure adequate protection of confidential or personal information most susceptible to attack.
- Classify data to establish the types of information most susceptible to attack to ensure adequate protection.
- Ensure all employees annually complete cybersecurity training as outlined in the Data Security on State Computers Act.
- Evaluate and implement appropriate controls to reduce risk of attack.

We will continue to review cybersecurity programs and practices in our June 30, 2020 compliance examinations.

Agency officials generally concurred with our recommendations concerning these issues.

The information systems audit staff also reviewed and tested the systems and procedures at the **Department of Innovation & Technology.**

We released a System and Organization Control (SOC) Report regarding the Department's control environment. The Department provides Information Technology Shared Services for approximately 105 user agencies.

ISA FINDINGS (CONT.)

The SOC Report contained a modified opinion as a result of:

- The Department did not ensure all its controls were suitably designed to achieve its control objectives.
- The Department did not ensure its controls over the State's Shared Services system operated effectively.

We released another SOC Report regarding the Department's control environment as it provides the State of Illinois, Enterprise Resource Planning System for approximately 54 user agencies.

The SOC Report contained a modified opinion as a result of:

- The Department did not ensure its controls over the State of Illinois, Enterprise Resource Planning System operated effectively.

As a result of the modified opinions, auditors of these agencies will likely modify the agency-level risk assessments to accommodate the additional risk to agencies and perform additional procedures to properly address these risks.

Department officials accepted the recommendations in the SOC reports. ❖

INFO. SYSTEMS

OTHER OFFICE RESPONSIBILITIES

ANNUAL AUDIT ADVISORY

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

COMPTROLLER'S ACCOUNTING SYSTEM REVIEW

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

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

PEER REVIEW

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

The September 2020 peer review of the Auditor General's audit processes resulted in an unmodified (clean) opinion. Additionally, the peer review team did not note any deviations from professional standards that would have required a written letter of comments. Our prior peer reviews, conducted in 1996, 1999, 2002, 2005, 2008, 2011, 2014 and 2017 likewise resulted in unmodified opinions. Our next peer review is slated for 2023.

STATE ACTUARY

Public Act 97-694, effective June 18, 2012, directed the Auditor General to "contract with or hire an actuary to serve as the State Actuary." Among its duties, the State Actuary is required to "review assumptions and valuations prepared by actuaries retained by the boards of trustees of the State-funded retirement systems" and "issue preliminary reports...concerning proposed certifications of required State contributions submitted to the State Actuary by those boards." [30 ILCS 5/2-8.1 (a) and (b)] In addition, Public Act 100-465, effective August 31, 2017, added a similar requirement for the State Actuary to review the Public School Teachers' Pension and Retirement Fund of Chicago. [40 ILCS 5/17-127(e)]

Through a competitive proposal process, the Auditor General awarded a contract in August 2012 to Cheiron, a full-service actuarial and consulting firm. Cheiron issued its preliminary reports to the public retirement systems in December 2020. As required by statute, the Auditor General submitted a written report to the General Assembly and Governor on December 23, 2020, documenting the initial assumptions and valuations prepared by the actuaries retained by the boards of trustees of the State-funded retirement systems, the State Actuary's preliminary reports, and the responses of each board to the State Actuary's recommendations.

The report is available in its entirety on our website at www.auditor.illinois.gov. ❖



CONTINUING PROFESSIONAL EDUCATION AND TRAINING REQUIREMENTS

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

The Yellow Book standard relating to competence specifies that management must assign auditors to conduct the engagement who collectively possess the competence needed to address the engagement objectives and perform their work in accordance with Generally Accepted Government Auditing Standards (GAGAS).

Auditors who plan, direct, perform engagement procedures for, or report on an engagement conducted in accordance with GAGAS should develop and maintain their professional competence by completing at least 80 hours of continuing professional education (CPE) every 2 years. A minimum 24 hours of that CPE should be directly related to the government environment, government auditing, or the specific or unique environment in which the audited entity operates. The remaining 56 CPE hours should be in subject matter that directly enhances auditors' professional expertise to conduct engagements. Auditors should complete at least 20 hours of CPE in each year of the 2-year period.

Auditors hired or assigned to a GAGAS engagement after the beginning of the 2-year CPE period may complete a prorated number of CPE hours.

Also, auditors who charge less than 20 percent of their time annually to engagements conducted in accordance with GAGAS but are not involved in planning, directing, or reporting on the engagement need only comply with the 24-hour requirement.

The most recently completed 2-year period for CPE requirements as measured by the Office of the Auditor General was January 1, 2019, through December 31, 2020. All auditors, audit directors, and information specialists required to meet the CPE standards were in compliance for this 2-year period.

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



TRAINING

CLAIMS DUE THE STATE AND METHODS OF COLLECTION

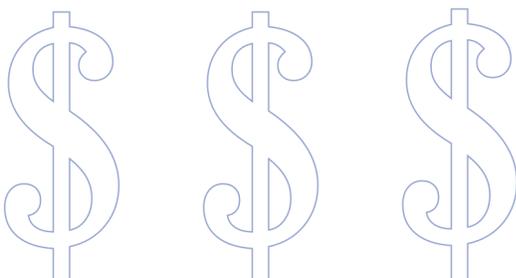
As required by law [30 ILCS 205/2 (k)], the Office of the Auditor General is reporting that there were no outstanding claims administered by the Office that were due and payable to the State as of December 31, 2020. The accounts receivables generated by our Office primarily represent billings to other State agencies for reimbursement of audit costs. Reimbursements for federal single audits are deposited into the General Revenue Fund. Reimbursements for audits not associated with federal single audits are deposited or transferred to the Audit Expense Fund. If normal collection methods fail, we request assistance from the Office of the Attorney General. To date we have never used the services of a private collection agency.



SUMMARY OF APPROPRIATIONS AND EXPENDITURES

The Office of the Auditor General was funded by appropriations from the General Revenue Fund and Audit Expense Fund for Fiscal Year 2020 (July 1, 2019 to September 30, 2020, including lapse period).

<i>FY 2020 - FINAL</i>			
	<i>Appropriation</i>	<i>Expended</i>	<i>Balance</i>
GRF Operations:			
Operations	<u>\$7,147,000</u>	<u>\$7,132,904</u>	<u>\$14,096</u>
Audit Expense Fund:			
Audits/Studies/Invest.	<u>\$27,784,864</u>	<u>\$25,894,239</u>	<u>\$1,890,625</u>



FINANCIAL AUDITS AND COMPLIANCE EXAMINATIONS

FOR THE PERIOD(S) ENDING
JUNE 30, 2019, SEPTEMBER 30, 2019, AND DECEMBER 31, 2019

(Released on or before December 31, 2020)

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

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>S</i>	<i>DATE RELEASED</i>
Abraham Lincoln Presidential Library and Museum		X		04-28-20
Architect of the Capitol		X		04-28-20
Arts Council		X		01-28-20
Arts Council Foundation		X		01-28-20
Attorney Registration and Disciplinary Commission (12/31)	X			09-10-20
Attorney Registration and Disciplinary Commission (12/31)		X		09-10-20
Board of Admissions to the Bar (9/30)	X			07-16-20
Board of Admissions to the Bar (9/30)		X		07-16-20
Board of Examiners		X		12-16-20
Board of Higher Education		X		09-03-20
Capital Development Board	X			02-11-20
Chicago State University	X			01-30-20
Chicago State University		X	X	04-08-20
Civil Service Commission		X		04-28-20
Commission on Government Forecasting and Accountability		X		04-22-20
Comptroller – Fiscal Officer Responsibilities	X	X		12-27-19
Coroner Training Board		X		06-11-20
Court of Claims		X		12-08-20
Criminal Justice Information Authority		X		03-10-20
Deaf and Hard of Hearing Commission		*		*
Department of Agriculture		X		03-03-20
Department of Central Management Services	X			01-30-20
Department of Central Management Services		X		07-07-20
Department of Central Management Services - Community College Health Insurance Security Fund	X			01-30-20
Department of Central Management Services - Community College Health Insurance Security Fund - Special Report	X			06-25-20
Department of Central Management Services - Local Government Health Insurance Reserve Fund	X			01-30-20
Department of Central Management Services - State Employees Group Insurance Program		X		06-16-20
Department of Central Management Services - Teacher Health Insurance Security Fund	X			01-30-20
Department of Central Management Services - Teacher Health Insurance Security Fund – Special Report	X			06-25-20
Department of Central Management Services - University Benefit Schedule		X		11-21-19
Department of Employment Security	X			03-03-20
Department of Employment Security		X		07-07-20
Department of Healthcare and Family Services	X			04-28-20
Department of Healthcare and Family Services	X			07-07-20
Department of Human Rights		X		04-15-20
Department of Human Services	X			04-28-20
Department of Human Services		X		07-07-20
Department of Labor		X		06-25-20
Department of Natural Resources (Capital Asset Account)	X			11-26-19

FINANCIAL AUDITS AND COMPLIANCE EXAMINATIONS (CONT.)

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>S</i>	<i>DATE RELEASED</i>
Department of Public Health		X		06-25-20
Department of Revenue	X			02-19-20
Department of Transportation	X			03-19-20
Drycleaner Environmental Response Trust Fund Council		X		12-11-19
DuQuoin State Fair (09/30)		X		04-22-20
Eastern Illinois University	X			04-15-20
Eastern Illinois University		X	X	05-27-20
Emergency Management Agency		*		*
Environmental Protection Agency (Water Revolving Fund)	X			02-11-20
Executive Ethics Commission		X		12-08-20
Executive Office of Inspector General		X		10-28-20
General Assembly – Senate - *Overseen by LAC		X		02-19-20
General Assembly – House - *Overseen by LAC		X		02-19-20
General Assembly Retirement System	X			01-22-20
General Assembly Retirement System		X		04-22-20
Governor’s Office of Management and Budget		X		04-15-20
Governors State University	X			02-19-20
Governors State University		X	X	04-08-20
Guardianship and Advocacy Commission		*		*
Human Rights Commission		X		11-05-20
Illinois Commerce Commission		X		12-08-20
Illinois Conservation Foundation	X			02-11-20
Illinois Conservation Foundation		X		02-11-20
Illinois Council on Developmental Disabilities		*		*
Illinois Educational Labor Relations Board		*		*
Illinois Finance Authority	X			01-14-20
Illinois Finance Authority		X		04-15-20
Illinois Gaming Board	X			01-14-20
Illinois Grain Insurance Corporation	X	X		02-19-20
Illinois Housing Development Authority	X			02-27-20
Illinois Housing Development Authority		X	X	05-14-20
Illinois Joining Forces Foundation	*			*
Illinois Joining Forces Foundation		*		*
Illinois Labor Relations Board		X		12-16-20
Illinois Math and Science Academy	X	X		01-14-20
Illinois Math and Science Academy Fund	X	X		01-14-20
Illinois Power Agency	X			05-14-20
Illinois State Fair (09/30)		X		04-22-20
Illinois State University	X			02-19-20
Illinois State University		X	X	02-19-20
Illinois Student Assistance Commission (Including Golden Apple Scholars of IL AUP)	X			03-03-20
Illinois Student Assistance Commission, Prepaid Tuition	X			03-03-20
Illinois Supreme Court		X		02-25-20
Independent Tax Tribunal		X		12-08-20
Judges’ Retirement System	X			01-22-20
Judges’ Retirement System		X		04-22-20
Legislative Audit Commission		X		01-14-20
Legislative Printing Unit		X		07-16-20
Legislative Reference Bureau		X		01-22-20
Legislative Research Unit (Close-out)		X		04-22-20

FINANCIAL AUDITS AND COMPLIANCE EXAMINATIONS (CONT.)

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>S</i>	<i>DATE RELEASED</i>
Literacy Foundation	X			06-11-20
Literacy Foundation		X		06-11-20
Lottery	X			03-03-20
Lottery		X		03-03-20
Mid Illinois Medical District Commission		X		09-03-20
Metro East Police District (<i>Closeout 12/31</i>)		X		07-16-20
Metropolitan Pier and Exposition Authority		X		07-16-20
Northeastern Illinois University	X			01-30-20
Northeastern Illinois University		X	X	03-19-20
Northern Illinois University	X			01-28-20
Northern Illinois University		X	X	04-08-20
Office of the Governor		X		04-15-20
Office of the Lieutenant Governor		X		03-12-20
Secretary of State	X			02-25-20
Secretary of State		X		06-11-20
Southern Illinois University	X			02-19-20
Southern Illinois University		X	X	04-08-20
State Board of Education	X			01-30-20
State Board of Elections		X		01-28-20
State Board of Investment	X			12-19-19
State Board of Investment		X		03-17-20
State Employees' Retirement System	X			01-22-20
State Employees' Retirement System		X		04-22-20
State Employees' Retirement System – <i>Special Purpose Report</i>	X			03-17-20
State Universities' Retirement System	X			12-19-19
State Universities' Retirement System		X		02-11-20
State Universities' Retirement System – <i>Special Purpose Report</i>	X			01-28-20
Statewide Financial Audit	X			04-30-20
Statewide Single Audit - <i>Federal Funds</i>			X	08-27-20
Supreme Court Historic Preservation Commission		X		10-14-20
Teachers' Retirement System	X			01-14-20
Teachers' Retirement System		X		04-15-20
Teachers' Retirement System – <i>Special Purpose Report</i>	X			03-10-20
Teachers' Pension and Retirement System - Chicago		X		11-21-19
Toll Highway Authority (<i>12/31</i>)	X			06-30-20
Toll Highway Authority (<i>12/31</i>)		X		06-30-20
Treasurer – Achieving a Better Life Experience Program (ABLE)	X			02-25-20
Treasurer – College Savings Plan	X			02-11-20
Treasurer – Fiscal Officer Responsibilities	X	X		04-15-20
Treasurer – Fiscal Officer Responsibilities - <i>Securities Lending Program</i>		X		11-13-19
Treasurer – Illinois Funds	X			02-11-20
Treasurer – Non-Fiscal Officer		X		06-25-20
Treasurer – Secure Choice	X			04-15-20
Universities Civil Service Commission		X		10-14-20
University of Illinois	X			01-16-20
University of Illinois		X	X	03-17-20
Western Illinois University	X			03-12-20
Western Illinois University		X	X	04-08-20
Workers' Compensation Commission	X			11-21-19
Workers' Compensation Commission		X		03-19-20

*Report not released as of December 31, 2020



REGIONAL OFFICE OF EDUCATION AND INTERMEDIATE SERVICE CENTER FINANCIAL AUDITS

FOR THE PERIOD ENDING JUNE 30, 2019

F = Financial Audits S = Single Audits

<i>AGENCY</i>	<i>F</i>	<i>S</i>	<i>DATE RELEASED</i>
ROE #01: Adams, Brown, Cass, Morgan, Pike, Scott Counties	X		05-27-20
ROE #03: Bond, Christian, Effingham, Fayette, Montgomery Counties	X		05-27-20
ROE # 04: Boone, Winnebago Counties			*
ROE # 08: Carroll, Jo Daviess, Stephenson Counties	X		05-27-20
ROE # 09: Champaign, Ford Counties	X		02-27-20
ROE # 11: Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, Shelby Counties	X		02-27-20
ROE # 12: Clay, Crawford, Jasper, Lawrence, Richland Counties	X		02-27-20
ROE # 13: Clinton, Jefferson, Marion, Washington Counties			*
ROE # 16: DeKalb County	X		11-17-20
ROE # 17: Dewitt, Livingston, Logan, McLean Counties	X		08-13-20
ROE # 19: DuPage County			*
ROE # 20: Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, White Counties	X		05-27-20
ROE # 21: Franklin, Johnson, Massac, Williamson Counties	X		07-30-20
ROE # 24: Grundy, Kendall Counties	X		09-27-20
ROE # 26: Fulton, Hancock, McDonough, Schuyler Counties	X		08-27-20
ROE # 28: Bureau, Henry, Stark Counties	X	X	08-13-20
ROE # 30: Alexander, Jackson, Perry, Pulaski, Union Counties			*
ROE # 31: Kane County	X		03-03-20
ROE # 32: Iroquois, Kankakee Counties	X		05-27-20
ROE # 33: Henderson, Knox, Mercer, Warren Counties	X	X	07-30-20
ROE # 34: Lake County			*
ROE # 35: LaSalle, Marshall, Putnam Counties	X		05-27-20
ROE # 39: Macon, Piatt Counties	X		09-30-20
ROE # 40: Calhoun, Greene, Jersey, Macoupin Counties	X		05-27-20
ROE # 41: Madison County	X		02-27-20
ROE # 44: McHenry County	X		02-16-20
ROE # 45: Monroe, Randolph Counties	X		06-17-20
ROE # 47: Lee, Ogle, Whiteside Counties			*
ROE # 48: Peoria County	X		04-29-20
ROE # 49: Rock Island County	X		02-27-20
ROE # 50: St. Clair County	X	X	05-27-20
ROE # 51: Menard, Sangamon Counties			*
ROE # 53: Mason, Tazewell, Woodford Counties	X		02-27-20
ROE # 54: Vermilion County	X		02-14-19
ROE # 56: Will County	X		01-22-20
Intermediate Service Center #01: North Cook	X		06-17-20
Intermediate Service Center #02: West Cook			*
Intermediate Service Center #04: South Cook	X		04-29-20

**Report not released as of December 31, 2020*

PERFORMANCE AUDITS, INQUIRIES, & SPECIAL REPORTS

AUDITS IN PROGRESS

- Department of Children and Family Services' LGBTQ Youth in Care
- Vendor Payment Program
- Illinois Power Agency's Management of the Renewable Energy Credit Procurement Process and Adjustable Block Grant Program
- Department of Human Services' Prescription Monitoring Program
- Illinois State Police's Administration of the FOID Card and Firearm Concealed Carry Act

12/20	State Actuary's Report: The Actuarial Assumptions and Valuations of the State-Funded Retirement Systems	03/19	Morneau Shepell Contract
12/20	Review of Information Submitted by the Chicago Transit Authority's Retiree Health Care Trust	03/19	Quincy Veterans' Home
11/20	Review of Information Submitted by the Retirement Plan for Chicago Transit Authority Employees	03/19	Medicaid Long-Term Care Eligibility Determination
06/20	Performance Audit of the Economic Development for a Growing Economy (EDGE) Tax Credit Program	03/19	Program Audit of the Covering All Kids Health Insurance Program
04/20	Management Audit of the ISC Selection Process	12/18	Review of Information Submitted by the Chicago Transit Authority's Retiree Health Care Trust
01/20	Program Audit of the Covering All Kids Health Insurance Program	12/18	State Actuary's Report: The Actuarial Assumptions and Valuations of the State-Funded Retirement Systems
12/19	State Actuary's Report: The Actuarial Assumptions and Valuations of the State-Funded Retirement Systems	11/18	Review of Information Submitted by the Retirement Plan for Chicago Transit Authority Employees
12/19	Department of Central Management Services Multiple Choice Exams	07/18	Performance Audit of the Department of Human Services' Oversight of the Community Integrated Living Arrangements (CILAs) Program
12/19	Review of Information Submitted by the Chicago Transit Authority's Retiree Health Care Trust	05/18	Performance Audit of the State's Leasing Decision
11/19	Review of Information Submitted by the Retirement Plan for Chicago Transit Authority Employees	01/18	Performance Audit of Medicaid Managed Care Organizations
05/19	Department of Children and Family Services Abuse and Neglect Investigations	12/17	State Actuary's Report: The Actuarial Assumptions and Valuations of the State-Funded Retirement Systems
		12/17	Program Audit of the Covering All Kids Health Insurance Program
		12/17	Review of Information Submitted by the Chicago Transit Authority's Retiree Health Care Trust
		12/17	Program Audit of the Department of Human Services - Office of the Inspector General
		11/17	Review of Information Submitted by the Retirement Plan for Chicago Transit Authority Employees
		11/17	Health Facilities and Services Review Board and the Certificate of Need Processes
		05/17	State Moneys Provided to the Kenwood Oakland Community Organization

Note: A full list of performance audits dating back to 1974 can be found on our website: www.auditor.illinois.gov.





