

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

**COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2019**

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



**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2019**

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Other Reports Issued Under a Separate Cover:

The Department’s financial statements as of and for the year ended June 30, 2019, have been issued under a separate cover. Additionally, in accordance with *Government Auditing Standards*, we have issued the Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* for the year ended June 30, 2019, on our consideration of the Department’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, under a separate cover. The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of the audit.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

AGENCY OFFICIALS

Secretary	Grace B. Hou (3/18/19 – present) Vacant (3/16/19 – 3/17/19) James T. Dimas (through 3/15/19)
Assistant Secretary (Operations)	Dulce Quintero (5/6/19 – present) Vacant (7/1/17 – 5/5/19)
Assistant Secretary (Programs)	Kia Coleman (5/6/19 – present) Vacant (3/22/19 – 5/5/19) Maria Bruni (through 3/21/19)
Budget Director	Tiffany Blair (6/16/19 – present) Robert Brock (through 6/15/19)
Business Services Director	Paul Hartman
Chief of Staff	Ryan Croke (4/24/19 – present) Corey-Ann Gulkewicz (10/1/18 – 4/23/19) Fred Flather (through 9/30/18)
Chief Financial Officer	Robert Brock
Chief Operating Officer	Francisco DuPrey (4/29/19 – present) Vacant (3/1/19 – 4/28/19) Khari Hunt (through 2/28/19)
Office of Contract Administration Director	Gary Kramer (8/1/19 – present) Brian Bond (8/1/18 – 7/31/19) Dan Melliore (Acting, 7/1/18 – 7/31/18) Brian Bertrand (through 6/30/18)
Chief Internal Auditor	Amy DeWeese
Agency Procurement Officer	Jean Sandstrom (7/19/18 – present) Vacant (7/1/17 – 7/18/18)
Fiscal Services Director	Connie Sabo (10/9/18 – present) Alex Jordan (Acting, through 10/8/18)
Human Resources Director	Scott Viniard
Management Information Services Chief	Steve Buche (2/3/20 – present) Mike Scott (Acting, 9/9/19 – 2/2/20) Brad Long (6/1/19 – 9/8/19) Amy Gentry (through 5/31/19)
Office of Community Relations Director	Meghan Powers (8/21/17 – present) Vacant (7/15/17 – 8/20/17) Meredith Krantz (through 7/14/17)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
AGENCY OFFICIALS (Continued)

Chief Legislative Liaison	Andre Jordan (10/1/19 – present) Emily Katalinich (Acting, 7/1/19 – 9/30/19) Jennifer Aring (through 6/30/19)
Hispanic/Latino Affairs Director	Elizabeth Diaz Castillo
General Counsel	John F. Schomberg (3/4/19 – present) Vacant (3/2/19 – 3/3/19) Dan Dyslin (10/1/18 – 3/1/19) Corey-Anne Gulkewicz (through 9/30/18)
Inspector General	Peter Neumer (11/18/19 – present) Dan Dyslin (Acting, 5/21/19 – 11/17/19) Michael McCotter (through 5/20/19)
Strategy, Equity & Transformation Director (formerly Office of Innovation, Strategy & Performance)	Andrea Hall (7/16/19 – present) Vacant (2/1/19 – 7/15/19) Bruce Bendix (through 1/31/19)
Division of Substance Use Prevention and Recovery Director	Danielle Kirby (3/1/18 – present) Maria Bruni (through 2/28/18)
Division of Rehabilitation Services Director	Rahnee Patrick (5/20/19 – present) Vacant (4/16/19 – 5/19/19) Quinetta Grant (through 4/15/19)
Division of Developmental Disabilities Director	Allison Stark (9/23/19 – present) Kathy Ward (Acting, 1/16/19 – 9/22/19) Melissa Wright (Acting, 6/1/18 – 1/15/19) Greg Fenton (through 5/31/18)
Division of Mental Health Director	David Albert (1/1/20 – present) Diana Knaebe (through 12/31/19)
Office of Family Community Services Director (formerly HCD)	Tim Verry (Acting, 3/4/19 – present) Vacant (3/2/19 – 3/3/19) Diane Grigsby-Jackson (through 3/1/19)
Division of Clinical, Administrative and Program Support Manager	Jennifer Aring (7/1/19 – present) Vacant (9/1/18 – 6/30/19) J. Michael (Mike) Patton (through 8/31/18)
Grant Administration Director	Sessy Nyman (5/28/19 – present) Vacant (11/1/18 – 5/27/19) Mary Jennings (through 10/31/18)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
AGENCY OFFICIALS (Continued)

Civil Affairs Director & EEO/AA Officer	Ganapathi Ramaswamy
Labor Relations	Lori Simmons (Acting, 1/7/20 – present) Vacant (1/1/20 – 1/6/20) Lori Simmons (through 12/31/19)

Agency main offices are located at:

100 South Grand Avenue, East
Springfield, Illinois 62762

401 South Clinton Street
Chicago, Illinois 60607



n Street • Chicago, Illinois 60607

June 15, 2020

RSM US LLP
20 North Martingale Rd, Suite 500
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Department of Human Services (Department). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Department's compliance with the following specified requirements during the two-year period ended June 30, 2019. Based on this evaluation, we assert that during the years ended June 30, 2018, and June 30, 2019, the Department has materially complied with the specified requirements listed below.

- A. Other than what has been previously disclosed and reported in the Schedule of Findings, the Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. Other than what has been previously disclosed and reported in the Schedule of Findings, the Department has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. Other than what has been previously disclosed and reported in the Schedule of Findings, the Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. Other than what has been previously disclosed and reported in the Schedule of Findings, State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Other than what has been previously disclosed and reported in the Schedule of Findings, money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Sincerely,

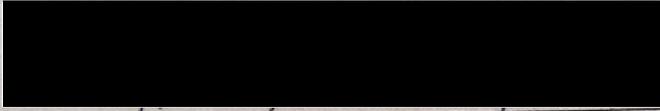
Illinois Department of Human Services



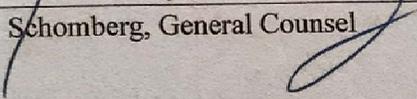
Grace B. Hou, Secretary



Robert Brock, Chief Financial Officer



John F. Schomberg, General Counsel



**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2019**

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance, on Internal Control over Compliance, and on Supplementary Information for State Compliance Purposes contains an adverse opinion over compliance and material weaknesses over internal control.

SUMMARY OF FINDINGS

	<u>Current</u>	<u>2018</u>	<u>2017</u>
GAS Findings	12	11	11
State Compliance Findings	26	N/A	31
Total Findings	<u>38</u>	<u>11</u>	<u>42</u>
GAS New Findings	4	4	8
GAS Repeated Findings	8	7	3
GAS Not Repeated Findings	4	4	2
State Compliance New Findings	4	N/A	14
State Compliance Repeated Findings	22	N/A	17
State Compliance Not Repeated Findings	9	N/A	8

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2019**

COMPLIANCE REPORT

SUMMARY (Continued)

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)				
2019-001	41	2018	Medical Assistance Program Financial Information	Material Weakness and Noncompliance
2019-002	43	2018	Lack of Adequate Controls over the Review of Internal Controls over Service Providers	Material Weakness and Noncompliance
2019-003	47	New	Weaknesses in Preparation of Year-End Department Financial Statements	Material Weakness and Noncompliance
2019-004	49	New	Failure to Deposit Federal Funds According to Statute	Material Weakness and Noncompliance
2019-005	51	2018	Inadequate Controls over Eligibility Determinations, Redeterminations and Mid-Point Reporting Requirements	Material Weakness and Noncompliance
2019-006	56	2018	Lack of Security Controls over the Integrated Eligibility System (IES)	Material Weakness and Noncompliance
2019-007	59	2018	Untimely Processing of Applications for Benefits and Redeterminations of Eligibility for Benefits	Material Weakness and Noncompliance
2019-008	62	2018	Insufficient Internal Controls over Changes to the Integrated Eligibility System (IES) and Recipient Data	Material Weakness and Noncompliance
2019-009	66	New	Inadequate Disaster Recovery Controls over the Integrated Eligibility System (IES)	Significant Deficiency
2019-010	68	New	Lack of Detailed Agreement with the Department of Innovation and Technology (DoIT)	Material Weakness and Noncompliance
2019-011	70	2018	Insufficient Review and Documentation of Provider Enrollment Determinations and Failure to Execute Interagency Agreements	Material Weakness and Noncompliance
2019-012	75	2018	Inadequate General Information Technology Controls over IMPACT	Material Weakness and Noncompliance
FINDINGS (STATE COMPLIANCE)				
2019-013	79	2017	Complete Populations not Provided	Material Weakness and Material Noncompliance
2019-014	82	2017	Noncompliance with Statutory Requirements Regarding the Use of Restraints	Material Weakness and Material Noncompliance
2019-015	86	2017	Noncompliance with Statutory Requirements Regarding the Monitoring of Facility Visitors	Material Weakness and Material Noncompliance
2019-016	90	2017	Noncompliance with Statutory Requirements Regarding Residents' Admissions and Discharges	Material Weakness and Material Noncompliance

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2019**

COMPLIANCE REPORT

SUMMARY (Continued)

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2019-017	96	2017	Noncompliance with Statutory Requirements Regarding Residents' Dental, Mental, Physical Examinations and Instances of Suspected Abuse or Neglect	Material Weakness and Material Noncompliance
2019-018	98	2017	Noncompliance with Statutory Requirements Regarding Administering Pregnancy Tests and Recording Resident's Menstrual Cycles	Material Weakness and Material Noncompliance
2019-019	101	New	Noncompliance with Statutory Requirements Regarding the Use of Seclusion	Material Weakness and Material Noncompliance
2019-020	103	2017	Internal Control Weaknesses in the Home Services Program	Material Weakness and Material Noncompliance
2019-021	105	New	Noncompliance with Employment Requirements at the Illinois Center for Rehabilitation - Roosevelt	Material Weakness and Material Noncompliance
2019-022	107	2017	Inadequate Execution of Interagency Agreements	Material Weakness and Material Noncompliance
2019-023	109	2017	Inadequate Administration of Locally Held Funds, Petty Cash, and Postage	Material Weakness and Material Noncompliance
2019-024	115	2017	Inadequate Controls Over Personal Services	Material Weakness and Material Noncompliance
2019-025	119	2017	Lack of Physical Control Over State Property	Material Weakness and Material Noncompliance
2019-026	122	2017	Inadequate Controls Over Accounts Receivable	Material Weakness and Material Noncompliance
2019-027	125	2017	Voucher Processing, Policies, Approvals and Payment	Significant Deficiency and Noncompliance
2019-028	128	2017	Inadequate Controls Over Commodities	Significant Deficiency and Noncompliance
2019-029	131	New	Weaknesses in Cybersecurity Programs and Practices	Material Weakness and Material Noncompliance
2019-030	134	2017	Noncompliance with Statutory Requirements Regarding Charging Residents for Services	Significant Deficiency and Noncompliance
2019-031	135	2017	Failure to Implement Integrated Living Rules and Adequately Monitor CILAs	Material Weakness and Material Noncompliance
2019-032	137	2017	Late Submission of Required Reports	Significant Deficiency and Noncompliance
2019-033	139	2017	Failure to Make Appointments in Accordance With State Law	Significant Deficiency and Noncompliance
2019-034	141	2017	Lack of Compliance with Policies for Vehicles	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2019**

COMPLIANCE REPORT

SUMMARY (Continued)

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2019-035	143	2017	Contingency Planning Weaknesses	Significant Deficiency and Noncompliance
2019-036	144	New	Access to Systems Not Controlled	Significant Deficiency and Noncompliance
2019-037	146	2017	Failure to Ensure Medical Assistance Payments' Prompt Payment Interest was Accurately Calculated and Paid	Significant Deficiency and Noncompliance
2019-038	148	2017	Failure to Track Military Related Identifiers in the Cross-Disability Database	Significant Deficiency and Noncompliance

In addition, the following findings which are reported as current findings relating to *Government Auditing Standards* also meet the reporting requirements for State Compliance.

2019-001	41	2018	Medical Assistance Program Financial Information	Material Weakness and Material Noncompliance
2019-002	43	2018	Lack of Adequate Controls over the Review of Internal Controls over Service Providers	Material Weakness and Material Noncompliance
2019-003	47	New	Weaknesses in Preparation of Year-End Department Financial Statements	Material Weakness and Material Noncompliance
2019-004	49	2017	Failure to Deposit Federal Funds According to Statute	Material Weakness and Material Noncompliance
2019-005	51	2018	Inadequate Controls over Eligibility Determinations, Redeterminations and Mid-Point Reporting Requirements	Material Weakness and Material Noncompliance
2019-006	56	2018	Lack of Security Controls over the Integrated Eligibility System (IES)	Material Weakness and Material Noncompliance
2019-007	59	2018	Untimely Processing of Applications for Benefits and Redeterminations of Eligibility for Benefits	Material Weakness and Material Noncompliance
2019-008	62	2018	Insufficient Internal Controls over Changes to the Integrated Eligibility System (IES) and Recipient Data	Material Weakness and Material Noncompliance
2019-009	66	New	Inadequate Disaster Recovery Controls over the Integrated Eligibility System (IES)	Significant Deficiency and Noncompliance
2019-010	68	New	Lack of Detailed Agreement with the Department of Innovation and Technology (DoIT)	Material Weakness and Material Noncompliance
2019-011	70	2018	Insufficient Review and Documentation of Provider Enrollment Determinations and Failure to Execute Interagency Agreements	Material Weakness and Material Noncompliance
2019-012	75	2018	Inadequate General Information Technology Controls over IMPACT	Material Weakness and Material Noncompliance

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2019**

COMPLIANCE REPORT

SUMMARY (Continued)

EXIT CONFERENCE

The *Government Auditing Standards* findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on April 6, 2020. Attending were:

Department of Human Services:

Grace Hou	Secretary
John Schomberg	General Counsel
Amy DeWeese	Chief Internal Auditor
Robert Brock	Chief Financial Officer
Connie Sabo	Fiscal Services Director
Lisa McKinnie	Internal Audit Administrative Assistant

Office of the Auditor General:

Janis VanDurme	Audit Senior Manager
Kathy Lovejoy	Audit Senior Manager

RSM US LLP:

Linda Abernethy, Partner
Ryan Caldwell, Senior Manager

The Department's responses to the *Government Auditing Standards* Findings were provided by Amy DeWeese, Chief Internal Auditor, in correspondence dated April 9, 2020.

The Department of Healthcare and Family Services' responses to Findings 2019-005 through 2019-012 were provided by Theresa Eagleson, Director, in correspondence dated April 2, 2020.

The remaining findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on June 10, 2020. Attending were:

Department of Human Services

Grace Hou	Secretary
John Schomberg	General Counsel
Amy DeWeese	Chief Internal Auditor
Albert Okwuegbunam	Audit Liaison
Robert Brock	Chief Financial Officer
Connie Sabo	Fiscal Services Director

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2019**

COMPLIANCE REPORT

SUMMARY (Continued)

EXIT CONFERENCE

Office of the Auditor General:

Janis VanDurme, Audit Manager
Joe Gudgel, IT Audit Manager

RSM US LLP:

Linda Abernethy, Partner
Katie Barry, Senior Manager
Dan Harker, Manager

The Department's responses to the State Compliance findings were provided by Amy DeWeese, Chief Internal Auditor, in correspondence dated June 11, 2020.

**Independent Accountant’s Report on State Compliance,
on Internal Control over Compliance, and on
Supplementary Information for State Compliance Purposes**

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Department of Human Services (Department) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two year period ended June 30, 2019. Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department’s compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

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

Our examination disclosed material noncompliance with the specified requirements described below, during the two year period ended June 30, 2019. As described in items 2019-001 through 2019-038 in the accompanying Schedule of Findings, the Department did not comply with the specified requirements. Items 2019-001 through 2019-008, 2019-010 through 2019-026, 2019-029 and 2019-031, are each considered to represent material deviations with the specified requirements.

Specified Requirement A

As described in the accompanying Schedule of Findings as items 2019-004, 2019-013, and 2019-023 through 2019-026, the Department had not obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.

Specified Requirement B

As described in the accompanying Schedule of Findings as items 2019-001, 2019-004, 2019-005, 2019-007, 2019-013, 2019-020, 2019-023 and 2019-026, the Department had not obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.

Specified Requirement C

As described in the accompanying Schedule of Findings as items 2019-001 through 2019-008, 2019-010 through 2019-026, 2019-029 and 2019-031, and as described in the Status of Performance audits section of this report which contained 2 recommendations that were not implemented and 22 recommendations that were not fully implemented, the Department had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Specified Requirement D

As described in the accompanying Schedule of Findings as items 2019-023 and 2019-026, the Department had not ensured the State revenues and receipts collected by the Department were in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts was fair, accurate, and in accordance with law.

Specified Requirement E

As described in the accompanying Schedule of Findings as item 2019-023, money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department had not been properly and legally administered and the accounting and recordkeeping relating thereto proper, accurate, and in accordance with law.

Items 2019-009, 2019-027, 2019-028, 2019-030 and 2019-032 through 2019-038 individually would have been regarded as significant noncompliance with the specified requirements; however, when aggregated, we determined these items constitute material deviations with the specified requirements.

In our opinion, because of the significance and pervasiveness of the material deviations from the specified requirements described in the preceding paragraphs, the Department has not complied with the aforementioned specified requirements during the two year period ended June 30, 2019.

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

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

Internal Control Over Compliance

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control).

In planning and performing our examination, we considered the Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements and to test and report on the Department's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the department's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control described in the accompanying Schedule of Findings as items 2019-001 through 2019-008, 2019-010 through 2019-026, 2019-029 and 2019-031 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control described in the accompanying Schedule of Findings as items 2019-009, 2019-027, 2019-028, 2019-030 and 2019-032 through 2019-038 to be significant deficiencies.

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

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

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

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Department as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated April 10, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to April 10, 2020. The accompanying supplementary information for the year ended June 30, 2019, in Schedules 1 and 3 through 7 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the Department. Such information is the responsibility of Department management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2019, in Schedules 1 and 3 through 7 has been subjected to the auditing procedures applied in the

audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2019, in Schedules 1 and 3 through 7 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Department's basic financial statements as of and for the years ended June 30, 2018 and June 30, 2017 (not presented herein), and have issued our reports thereon dated August 9, 2019, and March 6, 2018, respectively, which contained unmodified opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information. The accompanying supplementary information for the years ended June 30, 2018, and June 30, 2017, in Schedules 2 through 7 is the responsibility of Department management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2018, and June 30, 2017, financial statements. The accompanying supplementary information for the years ended June 30, 2018, and June 30, 2017 in Schedules 2 through 7 has been subjected to the auditing procedures applied in the audits of the June 30, 2018, and June 30, 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the years ended June 30, 2018, and June 30, 2017 in Schedules 2 through 7 is fairly stated in all material respects in relation to the basic financial statements as a whole for the years ended June 30, 2018, and June 30, 2017.

The accompanying supplementary information in the Analysis of Operations Section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
June 15, 2020

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Human Services (Department), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated April 10, 2020. Our report included the following Emphasis of Matter "As discussed in Note 2 to the financial statements, the financial statements of the Department are intended to present the financial position and the respective changes in financial position of only that portion of the governmental activities, each major fund, and the aggregate remaining fund information of the State that is attributable to the transactions of the Department. These financial statements do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2019, and the respective changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters."

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2019-001 to 2019-008 and 2019-010 to 2019-012.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2019-001 to 2019-008, and 2019-010 to 2019-012 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings as item 2019-009 to be a significant deficiency.

State of Illinois, Department of Human Services' Responses to Findings

The Department's responses to items 2019-001 through 2019-012 are described in the accompanying schedule of findings. The Department's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the responses.

State of Illinois, Department of Healthcare and Family Services' Responses to Findings

The State of Illinois, Department of Healthcare and Family Services' responses to items 2019-005 through 2019-012 are described in the accompanying schedule of findings. The State of Illinois, Department of Healthcare and Family Services' responses were not subjected to the auditing procedures applied to the audit of the financial statements and accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
April 10, 2020

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
STATUS OF PERFORMANCE AUDITS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

Status of Performance Audits

As part of the compliance examination for the two years ended June 30, 2019 of the Illinois Department of Human Services (DHS or Department), we followed up on the status of the following performance audits performed by the Office of the Auditor General:

- **Performance Audit of DHS’ Forensic Patient Transport Procedures** (released August 2016)
 - This is the first time follow-up has been conducted. The audit contained 5 recommendations directed to the Department, 2 of which have been fully implemented.
- **Performance Audit of the State Moneys Provided to the Kenwood Oakland Community Organization (KOCO)** (released May 2017)
 - This is the first time follow-up has been conducted. The audit contained 2 recommendations directed to the Department that were fully implemented.
- **Performance Audit of the State’s Leasing Decision** (released May 2018)
 - This is the first time follow-up has been conducted. The audit contained one recommendation directed to the Department that was partially implemented.
- **Performance Audit of the DHS Oversight of the Community-Integrated Living Arrangements (CILA) Program** (released July 2018)
 - This is the first time follow-up has been conducted. The audit contained 26 recommendations directed to the Department, 5 of which have been fully implemented and 2 of which are not repeated.

The follow-up we conducted was only for those recommendations that have not been fully implemented by the Department in prior years.

The exhibit below summarizes the current status of the recommendations. Recommendations that were followed up on during this audit are detailed in the following pages.

STATUS OF PAST PERFORMANCE AUDIT RECOMMENDATIONS				
As of June 30, 2019				
Audit	Total Number of Recommendations	Status		
		Implemented	Partially Implemented	Not Implemented
Forensic Patient Transport Procedures	5	2	3	N/A
Kenwood Oakland Community Organization	2	2	N/A	N/A
State’s Leasing Decision	1	N/A	1	N/A
CILA Audit	26	7*	17	2

Note: Asterisk means that 5 recommendations were implemented and another 2 recommendations were not repeated as they were no longer applicable.

Source: Summary of current status of past performance audits.

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DEPARTMENT OF HUMAN SERVICES
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Performance Audit of DHS’ Forensic Patient Transport Procedures

The Office of the Auditor General conducted a performance audit of DHS’ Forensic Patient Transport Procedures pursuant to House of Representatives Resolution Number 199, and amended by Legislative Audit Commission Resolution Number 147. The audit was released in August 2016 and contained a total of five recommendations to the Department.

STATUS OF PAST PERFORMANCE AUDIT RECOMMENDATIONS					
As of June 30, 2019					
Audit	Rec. No.	Recommendation Description	Status		
			Implemented	Partially Implemented	Not Implemented
Forensic Patient Transport Procedures	1	Conflicting Policies		X	
Forensic Patient Transport Procedures	2	Trip Information Packets		X	
Forensic Patient Transport Procedures	3	Sally Port Officer	X		
Forensic Patient Transport Procedures	4	Seating Arrangements in Accordance with Policy	X		
Forensic Patient Transport Procedures	5	Annual Transportation Staff Training		X	

Source: Summary of current and past performance audits.

Recommendation 1 – Conflicting Policies

DHS should revise Program Directive 02.02.05.010 requiring the completion of an Office of the Inspector General (OIG) Incident Report Form to ensure it does not conflict with requirements for reporting an unauthorized absence by phone to the DHS OIG, as stated in OIG Administrative Code (59 Ill. Adm. Code 50.20).

Current Status: Partially Implemented

Reporting instructions in Program Directive 02.02.05.010 conflicted with reporting instructions contained in DHS OIG Administrative Code. The response to the 2016 audit recommendation noted that the Division of Mental Health had made the recommended revisions to Program Directive 02.02.05.010 and provided the revised Program Directive to Legal Services on August 2, 2016.

During the current examination, according to Department officials, as of January 21, 2020, this program directive is still under legal review.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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Recommendation 2 – Trip Information Packets

DHS and Elgin Mental Health Center (Elgin MHC) should ensure trip information packets are:

- *filled out completely and appropriately for all trips; and*
- *returned to and maintained by the appropriate person(s) at the respective facility.*

Current Status: Partially Implemented

Trip information packets consist of various forms that contain information, such as a patient’s behavior on a trip, security device authorizations, staffing recommendations, and elopement (escape) risk assessments. Testing of 50 trips showed various missing or incomplete forms.

During the current examination, we tested 10 trip information packets for trips made during FY 2019. All forms were present and filled out as appropriate, with the exception of vehicle maintenance checklists. We requested vehicle maintenance checklists for the 10 trips in our sample, but DHS was unable to provide all of these required checklists. We were provided two completed vehicle maintenance checklists, one vehicle maintenance checklist which was not fully completed, and three trip tickets which contained a less extensive vehicle maintenance checklist that did not document a check of all the necessary items required by Elgin’s transportation policies. The Department could not provide vehicle maintenance checklists for the remaining 4 of 10 (40%) trip packets tested.

Recommendation 3 – Sally Port Officer

DHS and Elgin MHC should consider requiring a Security Officer to staff the Sally Port post during the assigned hours or establish policies for guidance for the transport team to assume the additional duties noted in policy and the Sally Port Officer Checklist, in the absence of a Sally Port Officer.

Current Status: Implemented

Trip information packets testing in the original audit showed that not all Sally Port Officer Checklists were present or filled out. Additionally, the duties of the Sally Port Officer were not formally assigned during times of non-coverage.

During the current examination, according to Department officials, a Security Officer is assigned to the Sally Port from 7am to 3pm Monday through Friday. Also, DHS revised the Forensic Treatment Program Policy, Transportation Outside the Secure Setting for Court/Medical/Other, to address who should assume Sally Port Officer duties if the Sally Port Officer is unavailable.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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Recommendation 4 – Seating Arrangements in Accordance with Policy

DHS should ensure forensic patients at the Elgin MHC are seated in accordance with Elgin MHC policy and DHS' Statewide Transportation Directive.

Current Status: Implemented

As noted in the original audit, forensic patients and transport team were not seated in accordance with Elgin MHC policy and the Statewide Transportation Directive in 15 out of 50 trips. In addition, 3 of 50 seating arrangement trip tickets were not available. Seating arrangements help decrease the opportunity for a patient to escape and, therefore, protect the public. Seating arrangements also are in place for the safety of the patient and transport team.

During the current examination, according to Department officials, since implementing the seating arrangements tested in the original audit, the hospital replaced its patient transportation fleet with vans with the following additional security measures:

- The van doors cannot be opened and exited from inside the passenger section;
- A security divider separates the driver seat from the passenger section; and
- The vans are equipped with GPS so that any irregularity in a trip can be discovered.

Department officials stated that staff are trained on a revised seating arrangement. Department officials added that the revised seating arrangement is less consequential due to the additional security measures.

Recommendation 5 – Annual Transportation Staff Training

DHS should ensure appropriate employees at the Elgin MHC receive annual training on current transportation policy and the application of security devices as required by Program Directive 02.04.06.030, FTP 730, and DHS' Statewide Transportation Directive.

Current Status: Partially Implemented

In the original audit, we reported that not all Security Officers received training on transportation policies and annual security device training as required. We tested training documents for 16 Security Officers. We found that there was no documentation that 9 of 16 Security Officers received annual transportation training in 2015. We also found that only 9 of 16 Security Officers received security device training and only 6 of the 16 Security Officers had passed a competency test on security devices.

During the current examination, we reviewed training records to ensure all Security Officers received training on transportation policies and security device training in FY 2019. We found that all Security Officers received training in FY 2019. We also reviewed training records for all other transport staff used in our sample of 10 trip information packets. For these 10 trips tested, we found one Security Therapy Aide and one Maintenance Equipment Operator who had not received training in FY 2019.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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STATUS OF PERFORMANCE AUDITS
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Performance Audit of State Moneys Provided to the Kenwood Oakland Community Organization (KOCO)

The Illinois Office of the Auditor General conducted a performance audit of the State Moneys Provided to KOCO by DHS pursuant to House Resolution Number 100. The audit was released in May 2017 and contained two recommendations to DHS. This is the first time follow-up has been conducted. The status of the two recommendations is shown in the table below.

STATUS OF PAST PERFORMANCE AUDIT RECOMMENDATIONS					
As of June 30, 2019					
Audit	Rec. No.	Recommendation Description	Status		
			Implemented	Partially Implemented	Not Implemented
Kenwood Oakland Community Organization	1	Grant Monitoring by DHS	X		
Kenwood Oakland Community Organization	2	Use of Grant Funds	X		

Source: Summary of current audit follow-up.

Recommendation 1 – Grant Monitoring by DHS

DHS should review the monitoring exceptions identified in this audit of KOCO to ensure that processes are in place to properly monitor grant programs.

Current Status: Implemented

As noted in the report, auditors determined that DHS lacked sufficient oversight and monitoring of how KOCO used State-provided moneys. Auditors determined that DHS did not maintain documentation as required by DHS policy; and as a result, DHS could not assure that all program goals and objectives for Community Youth Employment Program (CYEP), Supplemental Nutrition Assistance Program (SNAP), Teen REACH, American Recovery and Reinvestment Act Job Programs (i.e., Summer Youth Employment Program, Put Illinois to Work, JobStart), and the Illinois Violence Prevention - Special Project were met or whether all State-provided moneys for these programs were used for the intended purposes.

DHS provided minimal monitoring documentation related to \$500,325 provided in FY 2013 – FY 2015 for CYEP. Auditors could not determine how \$377,424 of the \$500,325 (75%) KOCO received for CYEP during FY 2013 – FY 2015 was expended. The funds were to provide eligible youth with age-appropriate job training and work experience. DHS could not provide documentation that included: program budgets; monthly/quarterly reports; close-out reports; cost allocations; youth timesheets; employee background checks; documentation to support participant eligibility and its FY 2014 and FY 2015 Financial Reporting Packet.

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During the current examination, DHS reported it reviewed all monitoring exceptions and implemented multiple processes to ensure compliance. The processes included an annual pre-award process, background checks, new reporting requirements, a revised plan and budget process, and changes to the grant payment process. Since DHS did not provide any funding to KOCO during the audit period, no review of DHS's grant monitoring at KOCO could be conducted.

Recommendation 2 – Use of Grant Funds

DHS should review issues identified in this audit report and determine whether repayment of any funds is necessary due to unsupported or unallowable expenditures.

Current Status: Implemented

Both DHS and KOCO had difficulty providing documentation, which accounted for how State moneys were spent between FY 2010 – FY 2015. The Community Services Agreements cite 89 Ill. Adm. Code 509.40, which requires records be maintained for “*at least five years after the end of the fiscal year to which they relate.*” The code also notes, “*Failure to maintain adequate records to document the expenditure of DHS funds creates a presumption in favor of the Department for recovery of the funds.*”

Additionally, many of the documents provided conflicted with other documents, which included general ledgers not matching budgets or actual expenditure documentation. As noted in the report, KOCO did not provide audited financial statements for FY 2014 and FY 2015 and did not wish to provide auditors access to its complete general ledger as it included funds other than those that were State-provided. DHS also provided limited documentation to support whether the goals and objectives were met for many of its programs or to support how State funds were used. As a result of this lack of documentation, auditors found it difficult, if not impossible, to determine the actual use of most of the moneys provided to KOCO by DHS.

During the current examination, DHS noted that it reviewed all audit documentation and determined that repayment of grant funds by KOCO was necessary. DHS notified KOCO on September 24, 2018, that the amounts noted in the Auditor General's report totaling \$501,369 were due for refund to DHS.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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Performance Audit of the State’s Leasing Decision

The Illinois Office of the Auditor General conducted a performance audit of the State’s decision to enter into a five-year \$2.4 million lease for property at 2410 South Grand Ave. East by DHS pursuant to House Joint Resolution Number 63. The audit was released in May 2018 and contained one recommendation to the Department of Human Services (DHS or Department). This is the first time follow-up has been conducted. The status of the recommendation is shown in the table below.

STATUS OF PAST PERFORMANCE AUDIT RECOMMENDATIONS					
As of June 30, 2019					
Audit	Rec. No.	Recommendation Description	Status		
			Implemented	Partially Implemented	Not Implemented
State Leasing Decision	2	Assessment of Space Needs		X	

Source: Summary of current audit follow-up.

Recommendation 2 – Assessment of Space Needs

DHS should develop a policy that requires the Department conduct a thorough review of its space needs prior to submitting a space request to the Department of Central Management Services (CMS) to ensure that the amount of space requested is adequate.

Current Status: Partially Implemented

As noted in the report, auditors determined that DHS lacked a policy regarding a thorough review of its space needs prior to submitting the space request to the Department of CMS to ensure that the amount of space requested is adequate.

During the current examination, DHS Office of Business Services drafted a policy in response to this recommendation, however the policy was not approved during the examination period ending June 30, 2019.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
STATUS OF PERFORMANCE AUDITS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

Performance Audit of DHS Oversight of the Community-Integrated Living Arrangements (CILA) Program

The Illinois Office of the Auditor General conducted a performance audit of the Department of Human Services (DHS or Department) Oversight of the CILA Program pursuant to Illinois House of Representatives Resolution Number 34. The audit was released in July 2018 and contained a total of 26 recommendations to the Department. The current status of the recommendations is shown in the table below.

STATUS OF PAST PERFORMANCE AUDIT RECOMMENDATIONS						
As of June 30, 2019						
Audit	Rec. No.	Recommendation Description	Status			
			Implemented	Partially Implemented	Not Implemented	
CILA Audit	1	Failure to Develop State Plan for CILAs	X*			
CILA Audit	2	Inaccurate Licensing Information Reported to Public		X		
CILA Audit	3	Survey Scoring Tool Reporting Inconsistencies		X		
CILA Audit	4	Lack of OIG Reporting to Licensing		X		
CILA Audit	5	Renewal Applications and Annual Reviews			X	
CILA Audit	6	Notice of Violations Deficiencies		X		
CILA Audit	7	Lack of Documentation for Immediate Corrections and Plan of Correction Weaknesses		X		
CILA Audit	8	Licensing Survey Process Results		X		
CILA Audit	9	Failure to Adopt Rules for Initiation of License Reviews		X		
CILA Audit	10	License Revocation Issues		X		
CILA Audit	11	CILA Oversight by Bureau of Quality Management		X		
CILA Audit	12	Lack of Shared Information Between BQM and BALC		X		
CILA Audit	13	Protection of Individuals' Personal Funds		X		
CILA Audit	14	Tier Reporting	X			
CILA Audit	15	Lack of Fiscal/Administrative Reviews Reported to Licensing		X		
CILA Audit	16	Changes in CILA Procedures Not Incorporated into Rule		X		
CILA Audit	17	Recovery of CILA Funds			X	
CILA Audit	18	Transition Follow-up: Independent Service Coordinators		X		
CILA Audit	19	Transition Follow-up: Bureau of Transitional Services		X		
CILA Audit	20	Transition Follow-up: Community Resource Associates	X*			
CILA Audit	21	Transition Consent for CILA Services		X		
CILA Audit	22	Transition Participation in Individual Service Plan Development		X		
CILA Audit	23	Decision to Contract with CRA	X			
CILA Audit	24	Need for CRA Services	X			
CILA Audit	25	DHS Oversight of CRA	X			
CILA Audit	26	CRA Additional Funds	X			

Note: Asterisk means not repeated as the recommendation was no longer applicable.
Source: Summary of current and past performance audit follow-ups.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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Recommendation #1 - Failure to Develop State Plan for CILAs

DHS should comply with State law and develop a State Plan for the distribution of CILA services throughout the State of Illinois.

Current Status: Not Repeated

DHS failed to develop a State plan for the distribution of CILAs around the State. Nearly 20 percent of the counties around the State of Illinois had either one CILA site or no CILA sites.

On July 13, 2018, Public Act 100-602 became effective. This legislation eliminated the requirement for DHS to develop a State Plan.

Recommendation #2 – Inaccurate Licensing Information Reported to Public

DHS should take the steps necessary to ensure that information published on its public website relative to monitoring of the CILA program is complete and accurate. Additionally, DHS should comply with the Community-Integrated Living Arrangements Licensure and Certification Act and adopt rules for the posting of information.

Current Status: Partially Implemented

DHS failed to provide transparency for individuals and guardians regarding the information it published on licensure survey results for the CILA program. We found multiple omissions in published data during FY 2012 – FY 2016. Additionally, DHS has not adopted rules regarding posting of information.

During the current examination, we conducted testing on the licensing activities conducted by the Bureau of Accreditation, Licensure and Certification (BALC) and found that all 25 community providers that had been scored during the audit period were included on the DHS website. However, for 1 of 25 providers tested, the licensure survey published percentage was inaccurate. Esperanza Community Services received an 80 percent on the BALC survey during FY 2019; however, BALC published that this provider received 77.2 percent.

Also during the current examination, DHS drafted Administrative Rule changes to Rule 115 (the CILA Rule) but had not completed the process. According to documentation, the amended rule was submitted to the DD Rules Bureau on July 29, 2019.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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STATUS OF PERFORMANCE AUDITS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

Recommendation #3 – Survey Scoring Tool Reporting Inconsistencies

DHS should take actions necessary to make survey scoring documents consistent with criteria provided by the administrative rules.

Current Status: Partially Implemented

BALC utilized a survey scoring tool that was inconsistent with criteria for sanction and license revocation in administrative rules. The scoring tool failed to provide scoring for the lowest level of compliance as defined in rule. This may have resulted in, for the period FY 2012 – FY 2016, BALC only taking action on four license revocations.

During the current examination, BALC provided a copy of the CILA compliance checklist. Level 6 was handwritten on the checklist and the level defined as revocation for failure to correct repeat violations and imminent risk. However, during testing of 25 CILA community agencies in our licensing sample, no documentation provided by BALC included this level.

Recommendation #4 – Lack of Office of the Inspector General (OIG) Reporting to Licensing

DHS should ensure that BALC, as the Bureau charged with licensing CILA provider agencies, receives all OIG investigative reports and findings as they relate to the CILA program. BALC should determine the necessary follow-up to ensure CILA provider agencies are compliant with the CILA Rule.

Current Status: Partially Implemented

During the period FY 2012 – FY 2016, DHS failed to routinely provide BALC with OIG investigative findings and reports. BALC was not always aware of and could not follow up on OIG recommendations to the CILA provider agencies it licenses.

During the current examination, we conducted testing of 25 CILA community agencies in our licensing sample, we found the OIG substantiated or did not substantiate but had recommendations in a **total of 217 cases** during FY 2019. We found:

- In 23 percent (49 of 217) of the cases, there was **no evidence in the files that BALC had knowledge of the cases**. There was evidence of the OIG investigation, whether it was a plan of correction, intake, or other in 77 percent (168 of 217) of the cases.
- Of the 168 cases in BALC's files, **evidence of follow-up was only found in 12 percent (20 of 168) of the files**.

In the OIG Directive in effect during FY 2019, BALC was added to the routine distribution of final investigative reports for substantiated findings, unsubstantiated or unfounded findings with recommendations, and unsubstantiated findings with no recommendations.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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Recommendation #5 – Renewal Applications and Annual Reviews

DHS should ensure that all annual reviews are timely completed and require CILA provider agencies to timely submit annual renewal applications.

Current Status: Not Implemented

DHS, in our sample of 25 CILA providers for the period FY 2012 – FY 2016, did not complete five percent (7 of 128) of the CILA provider agency annual reviews as required by the administrative rules for CILA. For the annual reviews that BALC did complete, 26 percent (31 of 121) were not timely. Additionally, DHS allowed CILA provider agencies to submit 12 percent (15 of 130) of renewal applications outside the timeframe required by the CILA Rule.

During the current examination, we conducted testing on the licensing activities conducted by BALC. In our sample of 25 CILA providers, we found:

- BALC did not provide documentation that 32 percent (8 of 25) of the CILA provider agency annual reviews were completed as required by the administrative rules for CILA.
- For the annual reviews BALC did complete, 88 percent (15 of 17) were not timely.
- BALC did not provide documentation that 28 percent (7 of 25) of the renewal applications were submitted by CILA provider agencies that were required by the CILA Rule.

Recommendation #6 – Notice of Violations (NOV) Deficiencies

DHS should:

- *Ensure all violations are issued to CILA providers when noncompliance with the CILA Rule is found;*
- *Take action against a provider's license when there are multiple repeat violations; and*
- *Maintain a complete and accurate NOV database that can be used during the survey process.*

Current Status: Partially Implemented

BALC used the survey process, including the issuance of NOV for noncompliance with CILA standards, to ensure CILA provider agencies were complying with established standards. We found BALC did not always issue citations for NOV as defined in the CILA Rule. Additionally, BALC allowed CILA provider agencies to maintain their CILA licenses despite having repeat violations. Finally, the NOV database did not represent the actual number of violations.

During the current examination, we conducted testing on the licensing activities conducted by BALC. In our sample of 25 CILA providers, we found:

- BALC issued citations for all violations of noncompliance with the CILA Rule.
- BALC completed a total of 36 surveys. Regarding NOV, we found:
 - 92 percent (33 of 36) of the surveys had at least one NOV; and

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- 94 percent (31 of 33) of the surveys with at least one NOV had at least one repeat violation.

Further, BALC continued to allow CILA providers to maintain their CILA licenses despite having multiple repeat violations.

- Beverly Hills Home Care was cited **five times in five consecutive reviews** for the same licensing rule violation regarding environmental management of living arrangements. In each of the reviews, Beverly Hills Home Care was cited for **failure to ensure that living arrangements were safe and clean**. For the majority of the reviews, Beverly Hills Home Care submitted a plan of correction, but was cited again in the following review for the same violation.
- CAIL was cited seven times intermittently since 2015 for the same licensing rule violation regarding individuals' services plans. The CILA rule requires an agency: to ensure Individual Service Plans (ISPs) are kept in the individuals' residences, that direct care workers are knowledgeable about the ISPs, trained in their implementation, and maintain records of progress toward goals and objectives of the ISPs. For the most recent three reviews, CAIL **failed to submit a plan of correction** for all reviews.

In 74 percent (23 of 31) of the reviews, there was at least one discrepancy between the survey report form and the database. The same discrepancies were still noted: 'repeat' designation missing and entire reviews not captured; specific violations missing; and citation entry errors.

Recommendation #7 – Lack of Documentation for Immediate Corrections and Plan of Correction Weaknesses

DHS should ensure that BALC surveyors document when conditions are found that require immediate correction and follow policy and not complete the survey until those corrections are made by the CILA providers. Additionally, DHS should develop reporting requirements for providers to submit to verify corrections are made when plans of correction are not required.

Current Status: Partially Implemented

BALC survey documentation failed to indicate immediate corrections had been completed prior to completing licensing surveys. This failure is a violation of policy and can put CILA clients at risk of injury. Additionally, BALC does not verify that corrections to all violations of the CILA Rule are completed by providers, risking that clients remain in the same living arrangements for three years prior to conducting the next license survey.

During the current examination, we conducted testing on the licensing activities conducted by BALC. In our sample of 25 CILA providers, we reviewed all the surveys conducted by BALC for FY 2019. We found problems with the documentation to show whether conditions were corrected prior to the exit conference which is at the end of the survey process.

There were instances where we could not tell if immediate corrections had been fixed prior to the completion of licensing surveys. We found:

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- Bartlett Learning Center had a 90-day review from BALC on September 26, 2018. The BALC files **did not contain** the Exit Conference Checklist where BALC verifies that immediate corrections were made. During this review, Bartlett Learning Center was cited for clutter in bedrooms, dirty carpeting, and expired food. Based on the lack of documentation, it is unclear whether these issues were addressed prior to the end of the survey.
- Skystar had a 60-day review from BALC on September 5, 2018, two health and safety checks on August 28, 2018 and January 22-24, 2019, and a focus survey on May 9, 2019. The BALC files **did not contain** the Exit Conference Checklist verifying immediate corrections were made for any of the reviews.
 - The following issues were cited during at least one of these reviews: feces on the bedroom door, missing shower tiles resulting in a hole in the wall, chipping paint, insufficient lighting, missing doors on kitchen cabinets and bedroom closets, questionable amount of sufficient food, and water temperatures over 110 degrees.

With regard to DHS developing reporting requirements for providers to submit to verify corrections are made when plans of correction are not required, a BALC official stated, “*Per Rule 115.440C level I and II providers are not required to submit P.O.C. However, BALC is [in the] process of implementing a procedure to have all violation[s] addressed via a NOV.*” As of the end of fieldwork, we had not received any updated policies, procedures or processes from BALC addressing this issue.

Recommendation #8 – Licensing Survey Process Results

DHS should follow its required licensure survey process and ensure:

- *All surveys are timely completed;*
- *All plans of correction, when required, are timely submitted; and*
- *All plans of correction are approved.*

Additionally, DHS should consider having BALC conduct additional reviews when CILA providers merge with other providers.

Current Status: Partially Implemented

Audit testing found that BALC: did not complete or timely complete all surveys, did not require all POCs to be submitted or be timely submitted by CILA provider agencies, and did not approve all POCs it received as required by the administrative rules. Additionally, auditors found some subjectivity and inconsistency in the BALC survey process.

During the current examination, we conducted testing on the licensing activities conducted by BALC. We tested the BALC files for 25 CILA provider agencies to determine whether BALC followed its required survey process. We found:

- BALC did not complete the **required** survey in 1 of 30 of the cases. BALC completed an additional 7 surveys that were not required.
- For the 36 total surveys that BALC did complete, 81 percent (29 of 36) required a plan of correction (POC).
- For the surveys requiring a POC, 28 percent (8 of 29) were not submitted.

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- For the POCs that were submitted, not all were submitted in a **timely manner**.
 - 38 percent (8 of 21) of the POCs were not timely.
- BALC did not approve all POCs as required by the Rule.
 - 19 percent (4 of 21) of the POCs that were submitted, were not approved by BALC.

Also in response to the follow-up, a BALC official provided a document containing details of three providers that merged with three other providers. Only one of the three mergers occurred during FY 2019. BALC was aware of the merger and provided a description of the transfer; however, there was no indication that any additional reviews by BALC were considered.

Recommendation #9 – Failure to Adopt Rules for Initiation of License Review

DHS should take steps necessary to ensure all areas responsible for CILA Program oversight share information with BALC. Additionally, DHS should adopt rules to establish the process for when it will determine to initiate a review of a CILA provider and the timeframe to initiate that review.

Current Status: Partially Implemented

DHS had failed to adopt rules relative to establishing a process to determine when to review a CILA provider. This is a violation of the CILA Licensure and Certification Act. Additionally, BALC was not provided with some of the means to make that determination for the period FY 2012 – FY 2016.

During the current examination, DHS drafted Administrative Rule changes to Rule 115 (the CILA Rule) but have not completed the process. According to documentation, the amended rule was submitted to the DD Rules Bureau on July 29, 2019. The **proposed language** which addresses the recommendation states, "...the Department shall initiate a review of the agency's license and certification and its service agreement for funding." A review shall be based on, but not limited to, any of the following:

- a disproportionate number or percentage of licensure complaints;
- a disproportionate number or percentage of substantiated cases of abuse, neglect or exploitation involving an agency;
- an apparent unnatural death of an individual served by an agency;
- any egregious or life-threatening abuse or neglect within an agency; and
- any other significant event as determined by the Department."

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Recommendation #10 – License Revocation Issues

DHS should enforce the license revocation section of the CILA Rule and should document why DHS would enter into settlement agreements when conditions have been found that necessitate license revocation.

Current Status: Partially Implemented

DHS failed to enforce CILA rules by not seeking revocation of provider licenses in cases where sections of the CILA Rule were violated. Our examination of a sample of CILA providers found instances where BALC cited providers for falsified records, failure to correct deficiencies and refusal to participate in or permit the BALC survey process. Rather than revoke the CILA licenses, BALC either allowed the providers to remain in the program or entered into settlement agreements, agreements which were not always followed.

During the current examination, we conducted testing on the licensing activities conducted by BALC. Of our sample of 25 CILA providers, we found instances with multiple providers where BALC cited providers during the survey process for violations related to license revocation, yet BALC did not follow through with the revocation even after it appeared the **citations were severe enough** to warrant such action.

In all four instances (2 instances were for one provider) found in our sample of 25 CILA provider agencies where BALC cited the section of the CILA rule related to license revocation, providers failed to correct deficiencies identified as a result of an on-site survey by the Department or failed to submit a plan of correction within 30 days after the receipt of the NOV's as outlined in the CILA Rule:

- Janaston – Provider was twice cited during reviews in August 2018 and April 2019 for failure to correct deficiencies;
- Kankank County Training Center – Provider was cited during January 2019 review for failure to submit a plan of correction in the required timeframe; and
- Esperanza – Provider was cited during a May 2019 review for failure to correct deficiencies.

Additionally, during testing, we found other instances of **failure to correct deficiencies** and **untimely submission of plans of correction** where provider agencies could have had their license revoked. We found:

- In 94 percent (31 of 33) of reviews where notices of violations were cited, the violations were repeated from a prior survey. One provider in our sample of 25, was cited in 5 consecutive reviews for 115.300 c)6)A), a violation concerning the environmental management of living arrangements.
- In 50 percent (13 of 26) of reviews requiring a plan of correction, the plans were not timely submitted.

The Department said they revoked American Warrior's CILA license in February 2019. Additionally, the Department has initiated revocation of Janaston's CILA license for the "agency's consistent and repeated failure to take necessary corrective action." The action was documented in a letter to Janaston dated April 29, 2019. However, as of November 2019, Janaston was still in the appeals process.

According to a DHS official, during FY 2019 BALC did not enter into any settlement agreements, a practice found during the prior audit as a means to avoid revoking a CILA license.

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Recommendation #11 – CILA Oversight by Bureau of Quality Management (BQM)

DHS should formalize the look back reviews into policy, procedure, or rule. Additionally, DHS should ensure that BQM conducts CILA reviews of all CILA providers in accordance with practice.

Current Status: Partially Implemented

BQM failed to conduct CILA reviews on 50 providers of CILA services during the period FY 2012 – FY 2016. Twenty-three of the providers were in the CILA program for at least three years during the audit period. These 23 providers received \$47,508,399 from DHS for CILA services.

During the current examination, we provided BQM with our sample of 25 CILA providers. BQM provided the dates each provider had a review as part of the Medicaid Waiver sample. For the 25 CILA providers in the sample, all providers were either part of the Waiver in FY 2017, FY 2018 or FY 2019 or were scheduled for a look back review in FY 2020 because the provider was not reviewed by BQM during the prior 3 years.

A BQM official reported on October 11, 2019, “*In FY 2019, our waiver reviews were exclusively personal centered whereby we followed the individuals in the waiver sample, went to their homes/CILAs, interviewed them and their guardians where applicable and collected waiver performance measures. There were no points awarded. We still required the provider agencies to make corrections per person in areas that weren’t met.*” Further, the official reported, “*We have returned to a scoring system (awarding points) this fiscal year....*”

Recommendation #12 – Lack of Shared Information Between BQM and BALC

DHS should take the steps necessary to ensure that BQM shares its CILA oversight results with BALC.

Current Status: Partially Implemented

BQM did not routinely share the results of its oversight activities with the BALC. The sharing of this information could be beneficial to BALC in decisions to conduct well-being checks or modify its survey schedule of CILA providers.

During the current examination, a DHS official provided a document showing the sharing of information between BALC and BQM dated September 19, 2018. This document included the sender, receiver, description and frequency of the shared information. BQM provided several examples of the sharing of information as well as examples of providers having joint reviews conducted by BQM and BALC.

Additionally, a BALC official agreed with BQM in that BQM is sharing their CILA reviews. The BALC official reported that “*BQM and BALC have been communicating regularly with each other as to what we encounter in the community....*” However, during a phone conference on October 1, 2019, a BQM official confirmed that not all CILA reviews of all providers conducted by BQM are shared with BALC.

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Recommendation #13 – Protection of Individuals’ Personal Funds

DHS should incorporate testing of individuals’ personal funds maintained by CILA providers during monitoring activities. Additionally, DHS should ensure that BALC has access to all pertinent Department reviews when conducting licensing reviews.

Current Status: Partially Implemented

DHS did not monitor CILA residents’ personal funds maintained by the CILA providers. Even though questions concerning client funds were discovered by the OIG and Office of Contract Administration (OCA) during the audit period it did not appear that the unit tasked with licensing of CILAs, BALC, conducted any follow-up or was aware of problem CILA providers.

During the current examination, DHS drafted Administrative Rule changes to Rule 115 (the CILA Rule) but have not completed the process. According to documentation, the amended rule was submitted to the DD Rules Bureau on July 29, 2019. The **proposed language** included states that the CILA provider agency “Provide assistance as needed in money management. This can include, representative payeeship, and protecting individual funds.” The CILA compliance checklist used by BALC during the survey process has not been updated to include the protection of individual funds.

BALC does not have a formal, internal policy on how to handle the issues found in the reports, including personal funds, once they are received. During the audit period, BALC regularly received OIG reports per OIG policy as well as OCA fiscal/administrative reports. BQM also provided us with a document detailing information shared between BALC and BQM, but confirmed BQM is not sharing the totality of all of its reviews with BALC.

Recommendation #14 – Tier Reporting

DHS should take the steps necessary to be able to verify the State-Operated Developmental Centers (SODC) individuals that comprise the Tier Reporting system.

Current Status: Implemented

DHS failed to maintain supporting documentation for community placement interest by individuals that reside in SODCs. Due to this lack of documentation we were unable to determine whether Community Resource Associates (CRA) were conducting activities only on individuals that were actively pursuing transition to CILA. CRA were paid almost \$6.1 million by DHS for the period FY 2012 – FY 2016.

During the current examination, we asked DHS if the Department were verifying the SODC individuals in the Tier Reporting System. In response, DHS said “The SODC have posted this information monthly and it is accurate as a snapshot in time. Individuals can be assessed as belonging in one tier or another based on guardian’s current position on placement as well as whether the individual’s behaviors or health has caused a change to their readiness for transition....”

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Recommendation #15 – Lack of Fiscal/Administrative Reviews Reported to Licensing

DHS should review the process for how OCA is directed to review CILA providers to determine whether there should be formal procedures for requested reviews. Additionally, DHS should ensure that OCA fiscal/administrative review results are submitted to BALC.

Current Status: Partially Implemented

DHS did not require organizational units that have oversight of the CILA program to always share information that could be beneficial to monitoring efforts. OCA does not provide the results of its fiscal/administrative reviews with the DHS unit that has authority to revoke the license of a non-performing CILA provider, BALC.

During the current examination, we conducted testing on the licensing activities conducted by BALC. Of our sample of 25 CILA providers, OCA provided fiscal/administrative reviews on six (24 percent) of the providers. OCA provided documentation to show those reviews were shared with BALC. However, the **BALC files contained no evidence** of those reviews. Additionally, a BALC official reported there is no formalized process at BALC regarding how to handle the fiscal/administrative reviews once they are received from OCA.

Recommendation #16 – Changes in CILA Procedures Not Incorporated Into Rule

DHS should revise its administrative rules for CILA to coincide with federal guidance.

Current Status: Partially Implemented

DHS failed to revise administrative rules for changes made to the CILA program. These changes were effective July 1, 2017. The failure by DHS resulted in community providers and Independent Service Coordinators (ISCs) operating under rules that were not consistent with federal guidelines.

During the current examination, DHS drafted Administrative Rule changes to Rule 115 (the CILA Rule) but have not completed the process. According to documentation, the amended rule was submitted to the DD Rules Bureau on July 29, 2019.

Recommendation #17 – Recovery of CILA Funds

DHS should not pay for services that are not provided to CILA clients by CILA providers. Additionally, DHS should consider implementing a formal process for recovery of CILA funds not spent in accordance with the CILA program.

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Current Status: Not Implemented

DHS did not seek recoupment from CILA providers when documentation appeared to show that individuals did not receive the services for which the provider was being paid. Evidence from DHS' own documentation showed that housekeeping, a service which is part of the rate, was lacking in some instances yet the provider was still paid the full rate. Recovery was also not conducted even when DHS documentation showed that providers had not been able to document that services were being implemented for individuals.

During the current examination, in response to our question regarding whether the Department implemented or considered implementing a formal process for recovery of CILA funds not spent in accordance with the CILA program, a DHS official stated, "*The Department disagrees with the conclusion but also offers the following information. The Department is currently conducting a thorough review of its rate methodology for both CILA and Intermediate Care Facilities. DHS anticipates that the results of this review will be a revised methodology that makes it clear the rate is based on the individual's needs and desires as outlined in the personal plan – and would be the same regardless of the location or the size of the setting.*" **It is unclear how DHS' response addresses the process for recovery of CILA funds not spent in accordance with the CILA program as stated in the original recommendation.**

Recommendation #18 – Transition Follow-Up: Independent Service Coordinators (ISCs)

DHS should review exceptions noted by auditors and take the steps necessary to ensure that ISCs conduct all required visits to those that transition from an SODC to a CILA. Additionally, in its review DHS should determine whether ISC billed for any follow-up visits that do not have supporting documentation and seek reimbursement for any cases that were paid yet lacked support.

Current Status: Partially Implemented

DHS failed to ensure that ISCs maintained documentation on all required visits to individuals that transitioned from an SODC to a CILA. Our sample testing of available documentation found that ISCs only conducted 62 percent of the required weekly visits to the individuals in CILAs. Additionally, ISCs only conducted 82 percent of the required monthly visits to the individuals in CILAs. And finally, ISCs conducted 91 percent of the required quarterly visits to the individuals in CILAs.

During the current examination, we tested to determine whether documentation showed that follow-up visits had been conducted by ISC to individuals that transitioned from SODCs to CILAs. We sampled all 17 individuals who transitioned from an SODC to a CILA from July 1, 2018 through December 31, 2018. Our testing results, of documentation provided by DHS, for the 17 transitions to CILAs found:

- **Weekly Visits**
 - ISCs should have conducted 135 weekly visits to individuals.
 - ISCs conducted 39 weekly visits (29 percent).
 - 3 of 17 individuals (18 percent) **received all the required weekly visits** from ISCs
 - 5 of 17 individuals (29 percent) **received a partial number of the required weekly visits** from ISCs.
 - 9 of 17 individuals (53 percent) **received none of the required weekly visits** from ISCs.

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- **Monthly Visits**

- ISCs should have conducted 125 monthly visits to individuals.
- ISCs conducted 48 monthly visits (38 percent).
- 2 of 16 individuals (13 percent) **received all the required monthly visits** from ISCs
- 14 of 16 individuals (88 percent) **received a partial number of the required monthly visits** from ISCs.

Recommendation #19 – Transition Follow-Up: Bureau of Transitional Services (BTS)

DHS should take the necessary steps to ensure that all required follow-up visits are conducted and documented by its staff.

Current Status: Partially Implemented

During the period FY 2012 – FY 2016, DHS, through its BTS, failed to conduct follow-up visits with individuals that transitioned from SODCs to CILAs. Our sample testing found that BTS only conducted 45 percent of the required weekly visits to the individuals in CILAs. Additionally, BTS only conducted 51 percent of the required monthly visits to the individuals in CILAs.

During the current examination, we tested to determine whether documentation showed that follow-up visits had been conducted by BTS to individuals that transitioned from SODCs to CILAs. We sampled all 17 individuals who transitioned from an SODC to a CILA from July 1, 2018 through December 31, 2018. Our testing results for the 17 transitions to CILAs found:

- **Weekly Visits**

- BTS should have conducted 68 weekly visits to individuals.
- BTS conducted 65 weekly visits (96 percent).
- 16 of 17 individuals (94 percent) **received all the required weekly visits** from BTS staff.
- 1 of 17 individuals (6 percent) **received a partial number of the required weekly visits** from BTS staff.

- **Monthly Visits**

- BTS should have conducted 141 monthly visits to individuals.
- BTS conducted 134 monthly visits (95 percent).
- 13 of 17 individuals (76 percent) **received all the required monthly visits** from BTS staff.
- 3 of 17 individuals (18 percent) **received a partial number of the required monthly visits** from BTS staff.
- 1 of 17 individuals (6 percent) **received none of the required monthly visits** from BTS staff.

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Recommendation #20 – Transition Follow-Up: Community Resource Associates (CRA)

DHS should take the steps necessary to maintain all documentation to support contractor efforts in conducting transition follow-up visits when those contractors are utilized in the CILA program.

Current Status: Not Repeated

DHS failed to maintain documentation showing that CRA conducted all transition follow-up visits with individuals that transitioned from SODCs during its contracts with DHS. Auditors requested documentation from DHS concerning all CRA activities, including transition follow-up visits conducted by CRA. However, information provided to the auditors by DHS did not document all of CRA's required transition follow-up visits. For instance, DHS' documentation of CRA's follow-up visits accounted for 56 percent (860 of 1,527) of the required weekly visits, and 11 percent (171 of 1,576) of the required monthly visits. CRA initially indicated to auditors that it had turned all of its documentation over to DHS. Upon further auditor inquiry, CRA did locate some documentation; however, that documentation also was not complete.

During the current examination, the Director of the Division of Developmental Disabilities confirmed there is no contract with any vendor to conduct transition visits.

Recommendation #21 – Transition Consent for CILA Services

DHS should ensure that ISCs have copies of consent forms to participate in CILA. Additionally, DHS should consider determining and documenting what a timely consent should be and ensure that consents are updated to that timely requirement prior to transition from an SODC to a CILA.

Current Status: Partially Implemented

DHS failed to ensure that ISCs maintained all required consents for individuals selecting CILA as a living option. Our testing of 50 individuals that transitioned to a CILA during the audit period found two instances where the ISCs did not have the consent for CILA services. Additionally, the consents we did review were often not timely. Some consents occurred after the individual transitioned, some consents were signed the day of transition, and others were dated well in advance of the transition date. Based on our testing we concluded only 20 percent of the consents were timely.

During the current examination, we tested to determine whether documentation showed that the individual or guardian provided written consent to be placed in a CILA. Our review of documentation provided by DHS found:

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- **Consents to be Placed in CILA**
 - For 88 percent (30 of 34) of the cases, DHS provided evidence of consent; and
 - For 12 percent (4 of 34) of the cases, DHS lacked consent documentation to be placed in CILA.
- **Timeliness of Consents**
 - 77 percent (23 of 30) of the cases had consent that DHS considered timely (consents signed prior to the expiration date on the form);
 - 23 percent (7 of 30) of the cases DHS considered untimely;
 - 3 consents were **signed up to 2 weeks after** the expiration date;
 - 2 consents were **signed the same day** as the expiration date; and
 - 2 consents were **not dated**.

Recommendation #22 – Transition Participation in Individual Services Plan (ISP) Development

DHS should ensure that either an individual that transitions from an SODC to a CILA setting, or the individual's guardian, participates in the development of every individual service plan.

Current Status: Partially Implemented

DHS failed to ensure that either the individual in a CILA setting, or a guardian, participated in the development of all ISPs. This lack of oversight contributed to nearly 27 percent of our sample where the plans were developed without input from the individual or guardian.

During the current examination, we tested to determine whether documentation showed that the individual or guardian participated in the development of the ISP. Our review of documentation provided by DHS found:

- 88 percent (30 of 34 cases) of the individuals had an ISP that showed participation from the individual and/or guardian; and
- 12 percent (4 of 34) of the individuals **did not have an ISP that showed participation** from the individual and/or guardian.

Recommendation #23 – Decision to Contract with CRA

DHS should ensure that staff accurately portrays the need for procurements that are presented in the Procurement Business Cases. Additionally, DHS should only contract with vendors using valid procurement strategies.

Current Status: Implemented

DHS secured the services of CRA under questionable procurement strategies, first as an emergency then as a purchase of care contract. These strategies kept the services from being competitively procured and made it impossible to tell whether the State received the best deal for the funds paid. CRA were paid over \$6 million by DHS over the life of the contracts.

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During the current examination, we requested contracts entered into with CRA, noting there were none. During our contractual agreement testing, we reviewed documentation for 60 contracts noting valid procurement strategies were used.

Recommendation #24 – Need for CRA Services

DHS should only contract with vendors for which there is a demonstrated need for the services. Also, DHS should maintain the necessary documentation to show how State funds should be expended.

Current Status: Implemented

DHS was unable to provide auditors documentation to support its decision to close any SODCs during the period FY 2013 – FY 2015. These decisions were needed for CRA to conduct activities under two contracts with DHS for transition services. DHS paid CRA \$3.9 million for these two contracts even though it had no documentation to support the need for the services.

During the current examination, we requested contracts entered into with CRA, noting there were none. During our contractual agreement testing, we reviewed documentation for 60 contracts noting there was a demonstrated need for services and that sufficient documentation was maintained for how funds were spent.

Recommendation #25 – DHS Oversight of CRA

DHS should take the steps necessary to maintain complete documentation to ensure that State funds are protected and contractors provide the deliverables detailed in contractual agreements.

Current Status: Implemented

From FY 2012 – FY 2015, CRA received full contractual payment, \$6.1 million, from DHS for services under three contracts. The three contracts between DHS and CRA contained a deliverables sections. However, DHS could not provide support for a number of deliverables that were outlined in those contracts.

During the current examination, we requested contracts entered into with CRA, noting there were none. During our contractual agreement testing, we reviewed documentation for 60 contracts noting sufficient documentation was maintained for those contracts that had a deliverables section.

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Recommendation #26 – CRA Additional Funds

DHS should document the need for contractual amendments, including the additional services to be performed and associated rates.

Current Status: Implemented

DHS provided CRA over \$233,000 for services more than 180 days after the contract term ended to assist in the closure of the Jacksonville Developmental Center (JDC). The funds were for follow-up services related to on-site visits for the closure of JDC. However, these services were already built into the original \$1.95 million contract, which was fully paid.

During the current examination, DHS provided documentation to show it had reviewed the questioned amount in the finding and had set up an account receivable to recover \$233,192 due to an overpayment.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-001 Medical Assistance Program Financial Information

The Department of Human Services (Department) does not have an adequate understanding of the internal controls in place over all data recorded in its financial statements and the Department does not sufficiently review transactions initiated by other State agencies and recorded in the Department's financial statements.

During testing of the financial statements and supporting documentation, we noted the following:

- The Department could not provide documentation of the preparation or the Department's review of expenditure reconciliations for Federal Medical Assistance Program (MAP) funds (Funds 0120, 0142, 0365, 0502, 0718) between amounts reported in the Department's Consolidated Accounting and Reporting System (CARS) and amounts reported in the Grant/Contract Analysis Forms (Form SCO-563s) provided to the Comptroller's Office (IOC) which support the receivable calculation for financial reporting. The amount per the Form SCO-563s (totaling about \$408 million for total reimbursable costs "TRC" for CFDA 93.778) is a computed amount (a formula), essentially the amount needed to achieve the reported receivable balance provided by the Department of Healthcare and Family Services (HFS), a separate State agency. The Department does not retain a reconciliation between what is reported on the Form SCO-563s (claimable expenditures) and within CARS (all expenditures) for each fund. Additionally, there is no documentation maintained by the Department to support the calculation and methodology used by HFS in preparing the federal receivable amount.
- During testing of expenditures and liabilities, we determined that the Department is not monitoring or reviewing the payments submitted by HFS, or the liabilities calculated by HFS, on behalf of the Department and reported in the Department's financial statements. When HFS submits a request for payment to the IOC, a summary file is also sent to the Department which goes through an interface and is recorded into CARS. An employee in the Department's Fiscal Services Bureau reconciles the payments between CARS and the IOC before accepting them into CARS. However, the Department has not obtained and documented a detailed understanding of how its transactions are processed within HFS, the controls in place over those transactions, monitoring performed by HFS, exceptions noted by HFS through its monitoring activities, and how exceptions and control deficiencies are addressed by HFS and communicated to the Department. We selected and tested multiple expenditures and liabilities initially processed by HFS. Currently, the Department receives summarized information from HFS and records the transactions into CARS and the GAAP packages without performing sufficient procedures to determine the accuracy of the information.

A good system of internal control requires that management review all significant accounts and balances recorded in the financial statements for accuracy, which includes transactions initiated by other State agencies.

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SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-001 Medical Assistance Program Financial Information (Continued)

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

Department management indicated they have not performed a detailed review or analysis of the system used by HFS to accumulate information reported in the Department's Funds that report Medical program transactions and balances, and instead they have placed a significant amount of reliance on information that is easily assessable such as HFS audit and examination reports.

Lack of sufficient control over transactions and balances recorded in the Department's financial statements increases the likelihood of misstatements. (Finding Code No. 2019-001, 2018-001, 2017-002)

RECOMMENDATION:

We recommend the Department assume more responsibility for the transactions and balances reported in its financial statements that are initiated/estimated by other State agencies, including the following:

- The Department should work with management of HFS to gain a detailed understanding of the internal control system established over Department transactions and reporting, and enter into an interagency agreement with HFS that details the responsibilities of each agency and how this will be monitored. Subsequently, on a regular basis, the Department should determine if the control system and related monitoring is sufficient to prevent and detect significant financial statement errors..

Expenditure and accrual amounts provided by HFS in connection with year-end reporting of Federal MAP receivables should be reconciled to CARS or agreed to reports and source data compiled by HFS.

DEPARTMENT RESPONSE:

The Department of Human Services (DHS) accepts the recommendation. DHS will prepare documentation, at a high level, of HFS' internal controls over Department transactions and institute annual monitoring. DHS will implement a process to verify data provided by HFS is reconciled to source data.

**STATE OF ILLINOIS
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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-002 Lack of Adequate Controls over the Review of Internal Controls over Service Providers

The Department of Human Services (Department) did not obtain independent internal control reviews over its third-party service providers.

During the audit period, the Department identified ten third-party service providers (TPP) which provided various services. Additionally, the Department determined five of the TPPs provided services which were material to their financial reporting process.

The services these five TPPs provided were:

- Processing of negotiable food instruments (WIC program) – TPP validates food instruments by performing data entry and system edits that either allow payment or cause return of the food instrument to the bank of first deposit. The TPP processed approximately \$160 million in WIC vouchers during the audit period.
- Home Based Services (developmental disabilities program) – TPP processes timesheets for home based service workers, pays the workers, and files the related payroll tax returns. The TPP processed approximately \$150 million of transactions during the audit period.
- Provider claims processing for the Early Intervention (EI) program – TPP receives, reviews and approves claims from Providers, and provides claims data to the Department for payment. Approximately \$128 million in claims was approved for payment to the TPP during the audit period. The TPP also bills EI participants for their family participation fee (approximately \$5 million) and bills Medicaid for qualified services provided to EI participants (approximately \$41 million).
- Electronic visit verification system for the Home Services program (HSP) personnel – The TPP processed approximately \$571 million of transactions during the audit period.
- Processing of SNAP and cash assistance benefits for the Illinois LINK program– The TPP processed approximately \$2.7 billion of transactions during the audit period.

During our testing, we noted the Department did not obtain a System Organization and Control (SOC) examination, SOC 1 Type 2, report for the first three of the five TPPs listed above, which are material to the Department’s financial reporting process. Due to the lack of suitable SOC reports, we were unable to determine if these three TPP’s internal controls were adequate or if they utilized subservice providers which should be assessed.

In addition, for the two SOC reports received, we noted:

- For the TPP which processes SNAP benefits (Electronic Benefit Transfer “EBT” of food stamps), the Independent Service Auditor issued a qualified opinion for the second year in a row. The qualification was due to insufficient internal controls related to the control objectives: logical access to programs, data and computer resources; controls over the configurations and protection of network infrastructure; controls over application and system processing; and controls over the monitoring of disputes between EBT participants and retailers concerning errors in their EBT accounts. The TPP processed approximately \$2.7 billion in SNAP benefits during the audit period.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-002 Lack of Adequate Controls over the Review of Internal Controls over Service Providers

- Department management indicated they had not performed any monitoring of the TPP and did not assess the impact of the control deficiencies on the Department's internal controls over their financial reporting processes, the Department's compliance with the provisions of laws, regulations and grant agreements, or the potential impact on the Department's SNAP clients because of recent turnover in the Illinois Link /EBT Program Director position.

For the second SOC 1 Type 2 report received, the report had an unmodified opinion (provision of the electronic verification system for the Home Service personnel). However, the Department was unable to provide documentation supporting they had reviewed the report and concluded as to whether any follow up or further action was warranted.

The Department is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to assure its critical and confidential data are adequately safeguarded. This responsibility is not limited due to the processes being outsourced.

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

The industry standard for understanding business processes, internal controls, and the suitability and operating effectiveness of internal controls provided by a TPP is through obtaining a SOC 1 Type 2 report. A SOC 1 Type 2 report provides:

- a. TPP management's description of the service organization's system;
- b. A written assertion by TPP management about whether in all material respects and, based on suitable criteria, including:
 - i. TPP management's description of the service organization's system fairly presents the service organization's system that was designed and implemented throughout the specified period,
 - ii. the controls related to the control objectives stated in TPP management's description of the service organization's system were suitably designed throughout the specified period to achieve those control objectives, and, the controls related to the control objectives stated in TPP management's description of the service organization's system operated effectively throughout the specified period to achieve those control objectives; and,
- c. An Independent Service Auditor's report that:
 - i. expresses an opinion on the matters in b (i-ii), and
 - ii. includes a description of the service auditor's tests of controls and the results thereof.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-002 Lack of Adequate Controls over the Review of Internal Controls over Service Providers (Continued)

In the prior year, Department management indicated that SOC 2 Type 2 reports were provided by the WIC TPP, instead of the previously provided SOC 1 Type 2 report. Department management believed the SOC 2 Type 2 reports would be sufficient for purposes of reviewing internal controls over the TPP's control environment related to financial reporting. In the current year, Department management indicated the deficiency noted was due to changes in personnel. For the TPPs for which the Department did not obtain any SOC report, management indicated the Request for Procurement and contract did not contain language requiring a SOC 1 Type 2 report to be provided due to employee oversight.

Without obtaining, reviewing, and monitoring a SOC 1 Type 2 report, or another form of independent internal control review, the Department does not have assurance the TPPs' or any subservice organizations' internal controls are adequate to ensure program activities that result in transactions recorded in the Department's financial statements are complete and accurate.

Additionally, the Department is not able to ensure that confidential and sensitive program data is adequately secured. (Finding Code No. 2019-002, 2018-003, 2017-005)

RECOMMENDATION:

We recommend the Department obtain SOC 1 Type 2 reports, or perform independent reviews of internal control associated with TPPs, at least annually. The independent reviews should include an assessment of the following five key system attributes, as applicable:

- Security - The system is protected against both physical and logical unauthorized access.
- Availability - The system is available for operation and use as committed or agreed.
- Processing integrity - System processing is complete, accurate, timely and authorized.
- Confidentiality - Information designated as confidential is protected as committed or agreed.
- Privacy - Personal information is collected, used, retained, disclosed, and disposed of in conformity with Department requirements.

An independent review should also encompass the design and effectiveness of controls over the processing of Department transactions for food instruments (WIC), Early Intervention and Home Based Services. When SOC 1 Type 2 reports are obtained, the Department should perform a timely review of the reports, assess the effect of any noted modifications to the opinion and deficiencies, and identify and implement any compensating controls. The Department's reviews and corrective actions taken by the TPP should be documented and maintained. In addition, the Department should perform an analysis to determine the need to obtain information as to any subservice organization's internal controls and perform reviews as needed.

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CURRENT FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

FINDING 2019-002 Lack of Adequate Controls over the Review of Internal Controls over Service Providers (Continued)

DEPARTMENT RESPONSE:

The Department of Human Services (DHS) accepts the recommendation. DHS agrees that internal controls associated with external party service providers should be strengthened to include:

- Ensuring all external service providers are considered when compiling a service provider population;
- Request and obtain the appropriate SOC 1 Type 2 Reports from the selected service provider population on an annual basis;
- Perform annual reviews and analysis of the external service provider submitted SOC 1 Type 2 Reports;
- Communicate, record and maintain documentation of all corrective action taken by the service providers.

**STATE OF ILLINOIS
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June 30, 2019**

CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-003 Weaknesses in Preparation of Year-End Department Financial Statements

The Department of Human Services' (Department's) year-end financial reporting in accordance with generally accepted accounting principles (GAAP) contained inaccurate information.

The Department does not have adequate controls over the completeness and accuracy of year-end financial reporting which resulted in errors in the GAAP basis financial statements and supporting schedules provided to the auditors. The Department does not perform a sufficient supervisory review of all amounts recorded in its financial statements and footnotes.

We noted the following issues while testing the year-end financial reporting process:

1. The amounts recorded for Due from Other Governments - Federal (receivable) pertaining to the Temporary Assistance to Needy Families grant (General Fund 0001) and the Vocational Rehabilitation (VR) grant (Vocational Rehabilitation Fund 0081) were understated by approximately \$70.4 million and \$4.3 million, respectively. An adjustment to correct the error in Fund 001 was recorded by Department management. The error in Fund 0081 was deemed immaterial by the Department and was not corrected.
2. Financial statement Note 13 *Commitments and Contingencies*, pertaining to SNAP overpayment claims was overstated when first provided to the auditors due to a formula error contained in the supporting calculation. As a result, the disclosure of the net receivable from beneficiaries was overstated by \$53 million and the liability to the Federal government was overstated by \$42 million. An adjustment to correct the error was recorded by Department management.

GASB Statement 33 *Accounting and Financial Reporting for Nonexchange Transactions*, requires that recipients recognize voluntary nonexchange transaction receivables when all applicable eligibility requirements, including time requirements, are met. The Department's federal grants are predominantly reimbursement-type grants wherein eligibility requirements are fulfilled upon incurring qualified expenditures.

GASB Codification Section 1500: *Reporting Liabilities*, requires that contingent liabilities not requiring accrual should be disclosed in the notes to the financial statements.

A good system of internal control requires that management review all significant accounts and balances recorded and disclosed in the financial statements for completeness and accuracy.

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

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

**FINDING 2019-003 Weaknesses in Preparation of Year-End Department Financial Statements
(Continued)**

Department management indicated of the issues noted, the first resulted from a change in grant management that was not communicated to General Accounting and the second resulted from human error.

Under the current process, GAAP financial reporting errors occurred that materially misstated the Department's draft financial statements. In addition, the current process could have negatively impacted the Statewide financial statements. Accurate and timely financial statements of the Department's financial information for GAAP reporting purposes is important due to the complexity of the Department and the impact adjustments have on the Statewide financial statements. (Finding Code No. 2019-003)

RECOMMENDATION:

We recommend management increase the level and quality of supervisory review of year-end financial reporting including the following:

- Perform an analysis of grant receivables and revenues in total for each significant Federal award to make sure balances recorded in individual funds are accurate.
- For disclosures of estimates in the Notes to the Financial Statements, such as the contingencies note, review all supporting documentation that is used as a basis for disclosing the information.

DEPARTMENT RESPONSE:

The Department of Human Services (DHS) accepts the recommendation. DHS will review internal procedures for enhancements to address these inaccuracies.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-004 Failure to Deposit Federal Funds According to Statute

The Department of Human Services (Department) did not comply with statutory requirements relating to depositing federal funds in accordance with the Mental Health and Developmental Disabilities Administrative Act (MH Act) and overstated receivables in the Community Developmental Disability Services Medicaid Trust Fund (Fund 0142) and the Home Services Medicaid Trust Fund (Fund 0120).

Effective July 1, 2018, the language of the MH Act changed by removing the requirement that federal funds be deposited directly into the Medicaid Trust Fund (Fund 0142); however, the MH Act added the requirement that federal funds deposited into Fund 0142 were not to exceed \$60 million in any fiscal year. Auditors noted that during FY 2019 a total of \$77.6 million was deposited into Fund 0142 on behalf of the Department. In addition, the Department recorded a receivable in Fund 0142 for an additional \$8.8 million of federal funds. This situation resulted in an overstatement of the receivable of \$8.8 million and the incurrence of a liability to the Department of Healthcare and Family Services (HFS) of \$17.6 million (relating to the excess deposit).

Additionally, the DR Act limits the amount of Title XIX and Title XXI funds to be deposited into Fund 0120 to \$234 million. During FY 2019, approximately \$233 million was deposited into the fund, which was allowable and represented the total to be received for the year. However, the Department also recorded a receivable in Fund 0120 for an additional \$16.2 million of federal funds. This situation resulted in an overstatement of the receivable of \$16.2 million.

Correcting adjustments for Funds 0142 and 0120 were recorded by the Department in the financial statements.

The Mental Health and Developmental Disabilities Administrative Act (20 ILCS 1705/18.5) requires that beginning in State fiscal year 2019, funds in any fiscal year in amounts not exceeding a total of \$60,000,000 paid to the State by the federal government under Title XIX or Title XXI of the Social Security Act, be deposited into the Community Developmental Disability Services Medicaid Trust Fund to pay for Medicaid-reimbursed community developmental disability services provided to eligible individuals.

The Rehabilitation of Persons with Disabilities Act (20 ILCS 2405/5b) requires that beginning in State fiscal year 2019, amounts paid to the State during each State fiscal year by the federal government under Title XIX or Title XXI of the Social Security Act, for services delivered in relation to the Department's Home Services Program, in amounts not exceeding \$234 million, shall be deposited into Home Services Medicaid Trust Fund.

Department management indicated that FY 2019 was the first year of the new funding language limiting the amount of revenues to be deposited into Fund 0142 to \$60,000,000. DHS worked with HFS staff to establish a bi-monthly deposit plan for that amount. However, in addition to the planned bi-monthly deposit HFS deposited federal reimbursement received for two children's waivers for individuals with developmental disabilities. The effect of the change in legislation limiting deposits for Title XIX and Title XXI funds into Funds 0120 and 0142 was not considered when determining the Federal Receivable amount calculated on the SCO-563s for these funds.

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CURRENT FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

FINDING 2019-004 Failure to Deposit Federal Funds According to Statute (Continued)

Exceeding the allowed amounts of federal deposits into the Community Developmental Disability Services Medicaid Trust Fund is noncompliance with the MH Act. Recording receivables for federal programs that exceed statutorily allowed amounts misstates the financial statements. (Finding Code No. 2019-004, 2017-028)

RECOMMENDATION:

We recommend the Department review all legislation that influences revenues and receivables prior to preparing the Comptroller SCO-563 forms to ensure revenues and receivables are not significantly misstated due to the impact of legislative limitations on depositing money into various funds.

DEPARTMENT RESPONSE:

The Department of Human Services (DHS) accepts the recommendation. DHS will review and account for legislative changes which influence revenues and receivables.

**STATE OF ILLINOIS
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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-005 Inadequate Controls over Eligibility Determinations, Redeterminations and Mid-Point Reporting Requirements

The Department of Healthcare and Family Services and the Department of Human Services (collectively, the “Departments”) lacked controls over eligibility determinations, redeterminations and Mid-Point Reporting requirements for Federal programs where such determination/requirement is documented using the Integrated Eligibility System.

Management of the Departments have shared responsibility for various human service programs in the State and for internal controls over the manual and automated processes relating to eligibility for these programs. The Departments’ Integrated Eligibility System (IES) is the automated system used by the Departments which intakes, processes (with the assistance of caseworkers), and approves recipient applications, redeterminations, Mid-Point Reports and maintenance items in order to determine eligibility and make payments for the State’s human service programs.

In order to conclude if the determination of eligibility was proper, we selected a sample of 60 cases (29 new applications and 31 redeterminations) and tested whether the cases were properly certified (approved or denied) based on non-financial, financial and timeliness criteria. For SNAP cases we also tested whether the Mid-Point Report (MPR) was timely certified, where applicable. Our testing considered all the documentation contained within the case file, including the scanned documentation supporting caseworker overrides required prior to certification. In 13 of the 60 cases tested (21.7%) we noted 15 exceptions where either the case was not certified timely and/or the case file did not contain documentation supporting eligibility upon certification.

Specifically we noted:

- For 6 cases (10%) the application, redetermination or mid-point report was not approved or denied timely. For 6 SNAP cases, the approval or denial was between 4 and 264 days late. For 2 Medical cases, the approval or denial was 32 and 175 days late. (The 2 Medical cases were also SNAP cases.)
- For 1 case (1.7%) the file did not contain documentation of an application for benefits.
- For 1 case (1.7%) the file did not contain the redetermination form.
- For 6 cases (10%) the recipients reported income was not fully supported or not accurately supported.
- For 1 case (1.7%) the file did not include verification of non-citizen status.

Departments’ management indicated the above errors were due to caseworker error. Caseworkers did not complete eligibility determinations timely and did not sufficiently scan and upload all necessary eligibility documentation into the IES case file.

In order to understand the functions performed by the caseworkers more fully, we conducted on-site observations at three of the Department of Human Services’ local offices.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-005 Inadequate Controls over Eligibility Determinations, Redeterminations and Mid-Point Reporting Requirements (Continued)

We noted the following types of issues the caseworkers encountered in their utilization of IES while working with recipients:

- IES timed out and sent the caseworker back to the login screen while entering recipients' information. Consequently, the caseworker had to reenter information.
- IES indicated a recipients' information contained errors; however, the caseworker's review of the information noted no errors.
- IES had technical errors while interfacing the other applications to conduct verification of the recipients' information.
- IES had errors in determining the benefits for recipients.
- IES had issues determining recipients' eligibility.
- IES was unable to produce correspondence to recipients.

Department management indicated the above errors and problems were due to IES technical defects.

Further, we noted insufficient communication between the Departments' internal operating units which administer IES and related systems and the Departments' financial reporting units, along with a lack of communication between the Departments and the auditors. We discovered that in September 2019, HFS' Bureau of Eligibility Integrity identified system defects which resulted in temporary eligibility status recipients, or presumptively eligible recipients, maintaining their eligibility status in error after the Departments had deemed them ineligible. However, this condition was not reported to HFS' financial reporting unit to determine the impact of this defect on the Departments' financial statements, and it was not made known to the auditors. In fact, it was not until February 2020, during testing for the Statewide Single Audit performed by other auditors, that exceptions in the other auditors' testing and further inquiries related thereto led to HFS' disclosure of the existence of these system defects. At our request, HFS performed an analysis of the impact of this defect on the Departments' financial statements and determined HFS paid benefits of \$4.7 million in error for recipients who had been determined ineligible and received \$217 thousand in federal financial participation (FFP) from those disbursements, pertaining to fiscal year 2019. The Departments concluded these errors were not material to the financial statements, and as such no changes to the financial statements resulted.

The lack of a formal process to communicate matters such as those identified above represents a significant weakness in internal control over the Departments' financial reporting. It is essential that financial-related consequences of system defects be communicated with appropriate fiscal personnel to determine the potential impact on the financial statements. Further, full and timely disclosure of potential or known problems to the auditors is essential to avoiding delays in the audits, including audits of the Departments' financial statements, the Statewide Single Audit, and the Statewide Comprehensive Annual Financial Report.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-005 Inadequate Controls over Eligibility Determinations, Redeterminations and Mid-Point Reporting Requirements (Continued)

Also, in the Centers for Medicare and Medicaid Services (CMS) findings from its Payment Error Rate Measurement (PERM) reporting year 2019 report, we noted CMS reported an estimated payment error rate of 35.37% for Medicaid eligibility issues. CMS used its sample results to project \$4.3 billion in federal benefits payment errors for the 2019 reporting year. It is important to note that CMS stated in its report that not all payment errors identified in the report are necessarily indicative that the expense should not have occurred. For instance, if missing information had been on the claim and/or the State complied with the enrollment requirements, then the claims may have been payable. Further, CMS did not impose eligibility recoveries or disallowances for reporting year 2019.

The more significant eligibility errors identified in the PERM report were:

- Documentation to support eligibility determinations was not maintained.
- Verification/documentation not done/collected at the time eligibility was determined.
- Eligibility was not redetermined within timeliness criteria (See Finding 2019-007).

The Code of Federal Regulations (Code) (42 C.F.R. § 435) requires recipients of Medicaid to provide documentary evidence of their citizenship, residency, SSNs and income. Further, the Code (42 C.F.R. § 431.17) requires the Medicaid agency to maintain records of each applicant and beneficiary, including records which support the determination of eligibility.

The Code (7 C.F.R. § 273.2) requires that the application or reapplication form (form) for individuals requesting SNAP be signed to establish a filing date and to determine the State agency's deadline for acting on the form. The State agency shall not certify a household without a signed form. The application process includes filing and completing an application form, being interviewed, and having certain information verified. States must meet application processing timelines. All SNAP applications, regardless of whether they are joint applications or separate applications, must be processed for SNAP purposes in accordance with SNAP procedural, timeliness, notice and fair hearing requirements. State agencies shall verify the following information prior to certification for households initially applying" gross nonexempt income, alien eligibility, utility expenses, medical expenses, social security numbers, residency, identity, and disability.

The Code (7 C.F.R. § 273.10) requires that the household's eligibility be determined for the month of application by considering the household's circumstances for the entire calendar month in which the household filed its application. Eligibility for recertification shall be determined based on circumstances anticipated for the certification period starting the month following the expiration of the current certification period.

The Code (7 C.F.R. § 273.14) (SNAP recertification) requires that the State agency must establish procedures for notifying households of expiration dates, providing application forms, scheduling interviews, and recertifying eligible households prior to the expiration of certification periods.

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FINDING 2019-005 Inadequate Controls over Eligibility Determinations, Redeterminations and Mid-Point Reporting Requirements (Continued)

The Code (7 C.F.R. § 274) indicates that each State agency is responsible for the timely and accurate issuance of SNAP benefits to certified eligible households, and that all newly certified households (except those given expedited service) shall be given the opportunity to participate no later than 30 calendar days following the date the application was filed.

The internal control requirements of the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) within the Code of Federal Regulations (2 C.F.R. § 200.303) requires the Departments to establish and maintain effective internal control over the human services programs to provide reasonable assurance that the Departments are managing the human services programs in compliance with federal statutes, regulations, and the terms and conditions and comply with federal statutes, regulations, and terms and conditions of the human services programs.

Additionally, the Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires the Departments to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable laws.

Inadequate controls over eligibility determinations resulted in determinations of eligibility that were not demonstrated or documented prior to recipient certification, and the State expending Federal and State funds for recipients that may not have been eligible to receive benefits. Poor communication between internal operating unit personnel and financial reporting personnel could result in a misstatement of the Departments' financial statements. Noncompliance with federal laws and regulations could lead to sanctions and/or loss of future Federal funding, disallowance of costs, and the requirement to return Federal funds previously received. (Finding Code No. 2019-005, 2018-005, 2017-008, 2016-001, 2015-002)

RECOMMENDATION:

We recommend the Departments work together to:

- provide adequate training and supervision of caseworkers;
- implement additional controls to ensure appropriate documentation of eligibility is obtained at the time of certification and retained in IES,
- complete certifications of applications and redeterminations timely,
- establish formal lines of communication between operating unit personnel and financial reporting personnel, and
- correct IES application errors.

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CURRENT FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

FINDING 2019-005 Inadequate Controls over Eligibility Determinations, Redeterminations and Mid-Point Reporting Requirements (Continued)

DEPARTMENT OF HUMAN SERVICES' RESPONSE:

The Department of Human Services (DHS) accepts the recommendation. Training of staff continues to be an important factor for the successful operation of IES. The Department continues to adjust and improve mandated IES training as needed.

DHS agrees to work with all staff, including Regional Administration and Policy experts in order to identify any potential additional controls that would assist in ensuring appropriate documentation of eligibility is obtained and retained in IES.

The timely certification of applications and redeterminations are a constant and continuous priority. DHS agrees to continue to communicate to staff the importance of timeliness. Since late in calendar year 2018, the SNAP timeliness rate has successfully climbed from below 65% to above 95% in early calendar year 2020.

The portion of this finding related to insufficient lines of communication from operating unit personnel and financial reporting personnel is specific to HFS. DHS has no comment.

DHS, HFS, and DoIT continue to work on system defects and enhancement requests to ensure that IES is running optimally and handles applications according to relevant policy.

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES' RESPONSE:

The Department of Healthcare and Family Services (HFS) accepts the recommendation. HFS and DHS are working together to improve staff training materials and communication as well as better documentation through use of electronic case records. HFS submitted corrective action plans to Federal CMS to address the PERM report. HFS and DHS continue to address timeliness issues with both applications and redeterminations through staff hiring and process simplification. The HFS Division of Medical Programs and the Division of Finance will develop a formal process to communicate any system defects that may have financial impact. HFS continues to work with DoIT / DHS to prioritize defects and enhancements for release into IES to improve performance and accuracy.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-006 Lack of Security Controls over the Integrated Eligibility System (IES)

The Department of Healthcare and Family Services and the Department of Human Services (collectively, the “Departments”) failed to implement adequate security controls over the Integrated Eligibility System (IES).

Management of the Departments have shared responsibility for various human service programs in the State and for internal controls over the manual and automated processes relating to eligibility for these programs. The Departments’ IES is the automated system used by the Departments which intakes, processes (with the assistance of caseworkers), and approves recipient applications, maintenance items, and redeterminations in order to determine eligibility and make payments for the State’s human service programs.

Environment Security

We requested the Departments provide the population of servers in which IES resided. In response, the Departments provided a population; however, our testing noted the population was incomplete.

Even though the populations was incomplete, we tested the population of servers the Departments provided noting 139 of 198 (70%) servers were running operating systems which were no longer supported by the vendor. In addition, 36 of 198 servers (18%) were not being backed up. Furthermore, the Departments did not provide documentation demonstrating antivirus software had been installed on the servers hosting IES and its data.

Additionally, during the Departments’ internal security review completed as part of its Plan of Actions and Milestones (2019) report to the Centers for Medicare and Medicaid Services, the following significant security threats were identified:

- Protected health information and personal identifiable information was exposed to shared service areas,
- Audit logs were not generated,
- Inadequate access provisioning,
- Inadequate server configurations, and
- Multifactor authentication was not enabled.

The Code of Federal Regulations (Code) (45 C.F.R. § 95.621(f)(1)), *ADP System Security Requirement*, requires State agencies to be responsible for the security of all automated data processing system (ADP) projects under development and operational systems involved in the administration of the U.S. Department of Health and Human Services programs. State agencies are required to determine the appropriate security requirements based on recognized industry standards or standards governing security of federal ADP systems and information processing.

The Centers for Medicare and Medicaid Services, *MARS-E Document Suite* (minimum acceptable risk standards for exchanges), states that protecting and ensuring the confidentiality, integrity, and availability of state Marketplace information, common enrollment information, and associated information systems is the responsibility of the states.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

**FINDING 2019-006 Lack of Security Controls over the Integrated Eligibility System (IES)
(Continued)**

The Departments indicated the lack of resources and oversight contributed to the weaknesses.

User Access Security

During our testing of the Departments' access provisioning policies, we noted the policies did not define the time period in which the Departments were required to disable a terminated individuals' system access. In our review of 26 terminated IES users, we noted 12 (46%) had their access terminated 2 to 90 days after termination of employment.

The Code of Federal Regulations (Code) (45 C.F.R. § 95.621(f)(1)), *ADP System Security Requirement*, requires State agencies to be responsible for the security of all automated data processing (ADP) projects under development, and operational systems involved in the administration of the U.S. Department of Health and Human Services programs. State agencies are required to determine the appropriate security requirements based on recognized industry standards or standards governing security of federal ADP systems and information processing.

The National Institute of Standards and Technology (NIST), Special Publication 800-53, *Security and Privacy Controls for Federal Information Systems and Organizations*, states an entity is to define within policies and procedures personal security transactions, establishment and termination of access, based on assessed risk of the entity's environment. Additionally, the U.S. Department of Health and Human Services' Security Rule adopted pursuant to the Health Information Portability and Accountability Act and published within the Code (45 C.F.R. § 164.308(a)(3)(ii)(C)) requires the Departments to implement "procedures for terminating access to electronic protected health information when the employment of, or other arrangement with, a workforce member ends."

The Departments' management indicated they believe their access provisioning activities were in accordance with Departments' policy, industry standards and the Code.

The Departments' failure to maintain adequate internal controls over the security of the IES application and data increases the risk IES may be exposed to malicious attacks, security breaches, and unauthorized access to recipients' personal and health information. (Finding Code No. 2019-006, 2018-011, 2017-011)

RECOMMENDATION:

We recommend management of the Departments enhance security controls over the IES environment, application, and databases. Specifically, the Departments should enhance controls to address back-ups of all servers on a regular basis and update operating systems for servers which are running software no longer supported by the vendor. Further, the Departments should enhance policies governing termination of IES access rights. The policy should be specific in describing the maximum period of time allowed for terminating the access rights. Finally, the Departments should ensure a complete and accurate record of all servers on which IES resides is maintained.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

**FINDING 2019-006 Lack of Security Controls over the Integrated Eligibility System (IES)
(Continued)**

DEPARTMENT OF HUMAN SERVICES' RESPONSE:

The Department of Human Services (DHS) accepts the recommendation. DHS and the Department of Healthcare and Family Services (HFS) continue to work with Department of Innovation and Technology (DoIT) on the acquisition and organization of servers and other infrastructure to support the Integrated Eligibility System (IES). The current focus of these efforts is to migrate IES system Databases from end-of-life servers, in order to resolve existing vulnerabilities and allow for backup of all active IES servers. A complete and accurate configuration listing of active IES servers is in development and will be maintained throughout this infrastructure reorganization.

The Application for Benefits Eligibility (ABE) web-facing portal Multi Factor Authentication (MFA) IBM Security Access Manager (ISAM) solution, which replaced the phased-out Fed Centers for Medicaid Medicare Services (CMS) MFA service, was implemented in March 2020. DoIT is working to expand MFA, using the ISAM solution, to all users accessing the IES application.

DoIT and DHS continue to work with the State's IES development vendor, toward resolution of outstanding Plan of Action and Milestones (POAM) items, which includes the addition of detailed audit logs in IES.

DoIT-DHS will assist DHS Family and Community Services (FCS) Division in documenting policies governing access provisioning, approving access, maintaining access, and deactivation of access to reduce the risk of unauthorized and/or inappropriate access to IES.

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES' RESPONSE:

The Department of Healthcare and Family Services (HFS) accepts the recommendation. HFS will work with DoIT / DHS to ensure a complete and accurate record of all servers is maintained and servers are backed up. HFS will enhance its policy governing system access.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-007 Untimely Processing of Applications for Benefits and Redeterminations of Eligibility for Benefits

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

Management of the Departments have shared responsibility for various human service programs in the State and for internal controls over the manual and automated processes relating to eligibility for these programs. The Departments’ Integrated Eligibility System (IES) is the automated system used by the Departments which intakes, processes (with the assistance of caseworkers), and approves recipient applications, maintenance items, and redeterminations in order to determine eligibility and make payments for the State’s human service programs.

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.

Initial Applications

The Code of Federal Regulations (Code) (45 C.F.R § 435.912(c)(3)) requires the Departments to determine the eligibility of applicants for medical program benefits within 45 days of receipt of the application for benefits. Additionally, the Code (7 C.F.R § 273.2(g)) requires the Departments to determine the eligibility of applicants for SNAP benefits no later than 30 calendar days following the date the application was received. Furthermore, the Code (45 C.F.R §206.10) requires the Departments to determine the eligibility of applicants for TANF benefits within 45 days of receipt of the application.

At June 30, 2019, 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. Of the 26,433 SNAP and TANF applications, there were 4,194 applications which had applied for both programs.

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.

Redeterminations

The Code (42 C.F.R § 435.916(a)(1) and 7 C.F.R § 273.14) requires the Departments to redetermine eligibility for SNAP, TANF and medical programs every 12 months.

As of June 30, 2019, the Departments had a backlog of recipients for which eligibility redeterminations were required and redetermination information was provided by the recipients. The backlog at June 30, 2019 included at least 170,720 medical redeterminations, and 980 SNAP and TANF redeterminations.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-007 *Untimely Processing of Applications for Benefits and Redeterminations of Eligibility for Benefits (Continued)*

In addition to the above known redetermination backlog, because of a defect within IES, the date 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.

The 239,332 individuals above (170,720 redeterminations that contained a date and 68,612 redeterminations which did not contain a date) were part of 152,425 cases with pending medical redeterminations that were incomplete. In addition, there were 863 recipients with pending medical redeterminations for which information was provided, however it did not document the receipt date.

Change Documentation

The Code (42 C.F.R § 435.916(d)(1) and 42 C.F.R § 435.952(a)) requires the Departments to promptly redetermine eligibility upon receipt of information affecting eligibility.

When a recipient encounters a change in their situation, which may have an impact on eligibility, the recipient is to notify the Departments of such change. As of June 30, 2019, the Departments had a backlog of 51,903 cases for which information had been received but not reviewed. 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.

Center for Medicare and Medicaid Services

In the Centers for Medicare and Medicaid Services (CMS) findings from its Payment Error Rate Measurement (PERM) reporting year 2019 report, it was projected that \$977 million of federal benefits were considered errors because the determination was not conducted timely. Specifically, the Departments could not provide evidence they conducted an eligibility determination or the eligibility determination was not in accordance with timeliness standards (does not apply to application timely processing) as defined in the federal regulations. However CMS did not impose eligibility recoveries or disallowances for reporting year 2019.

The Departments indicated lack of staff contributed to the delays in completing the applications, redeterminations and other information within the required timeline.

Untimely determination of eligibility, redetermination of eligibility and processing of change documentation is a violation of the Code of Federal Regulations. Failure to make timely determinations of eligibility could result in hardships for the applicants. Furthermore, failure to timely redetermine eligibility for benefits could result in the Departments paying benefits to ineligible individuals as well as then receiving federal financial participation in connection with those ineligible benefits paid. (Finding Code No. 2019-007, 2018-009, 2017-007)

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-007 Untimely Processing of Applications for Benefits and Redeterminations of Eligibility for Benefits (Continued)

RECOMMENDATION:

We recommend management of 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. Furthermore, 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.

DEPARTMENT OF HUMAN SERVICES' RESPONSE:

The Department of Human Services (DHS) accepts the recommendation. DHS agrees to work with the Department of Healthcare and Family Services (HFS) to implement controls to comply with the requirement that applications are reviewed and approved or denied timely.

DHS 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 has recently implemented Statewide Processing Centers (SPCs) in order to handle work from larger offices with heavy caseloads, and effectively redistribute tasks to areas of the field that have the capacity to handle additional assignments. This 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 FCRC; and improved customer service in the timely and accurate distribution of benefits.

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES' RESPONSE:

The Department of Healthcare and Family Services (HFS) accepts the recommendation. HFS will continue to cooperate with Federal CMS regarding corrective actions. All backlogs are being addressed through a combination of staff hiring, enhanced training, process simplifications, policy streamlining and system enhancements.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-008 Insufficient Internal Controls over Changes to the Integrated Eligibility System (IES) and Recipient Data

The Department of Healthcare and Family Services and the Department of Human Services (collectively, the “Departments”) had insufficient internal controls over changes to the Integrated Eligibility System (IES) and recipient data.

Management of the Departments have shared responsibility for various human service programs in the State and for internal controls over the manual and automated processes relating to eligibility for these programs. The Departments’ IES is the automated system used by the Departments which intakes, processes (with the assistance of caseworkers), and approves recipient applications, maintenance items, and redeterminations in order to determine eligibility and make payments for the State’s human service programs.

Change control is the systematic approach to managing changes to an IT environment, application, or data. The purpose is to prevent unnecessary and/or unauthorized changes, ensure all changes are documented, and minimize any disruptions due to system changes.

IES Application Changes Policies and Procedures

The Departments did not have documented internal controls over changes to IES during the audit period. However, on August 31, 2019, the Departments memorialized the change control process in writing. According to the Departments, this process was to have been followed during the audit period.

Our review of the August 31, 2019 Change Management Policy and Procedure, noted the Policy and Procedure did not:

- Define the various types of changes,
- Define the requirements for the prioritization or classification of changes,
- Define the information required to be entered into the tracking system for each change,
- Define the numerical grading for determining impact,
- Define the detailed documentation requirements for test scripts and results, impact analysis, design documentation, or other required documentation, and
- Define when changes were required to include a specific requirement, who was to review the various steps and when and by whom approvals were required.

Recipient Data Changes Policies and Procedures

The Department did not have documented internal controls over changes to recipient data residing in IES during the audit period.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-008 Insufficient Internal Controls over Changes to the Integrated Eligibility System (IES) and Recipient Data (Continued)

Testing of IES Application Changes

As noted above, the Change Management Policy and Procedure did not document the specific requirements the various types of changes were required to comply with; however, we did note each IES change was required to include impact scores, requirements and design documents approved by the Departments, user acceptance testing, release notes, an associated Remedy Ticket, and approval from the IES Bureau Chief. Therefore, we selected a sample of 60 changes to IES to determine if they complied with the requirements described above, noting 53 (88%) did not have the Customer Impact, Caseworker Impact, Level of Urgency, and Regulatory Impact scores completed.

According to the Change Management Policy and Procedure, issues and the status of each change were to be communicated at the UAT Status Meeting twice weekly. Additionally, the UAT Status Meeting minutes were to be published on the Department of Healthcare and Family Services website.

Furthermore, we requested a sample of meeting minutes from the UAT Status Meetings, which were to be held twice a week. However, the Department stated UAT Status Meeting minutes were not maintained for the period of July through November 2018.

Testing of Recipient Data Changes

Due to the lack of documented internal controls we could not determine if fixes to recipients' data were properly approved. However, we selected a sample of 40 fixes to recipients' data to determine if there were documented approvals for the recipient data changes. Our testing noted, although verbal approval appeared to have been obtained prior to implementation, approvals for 7 (17.5%) recipient data changes were documented one to five days after implementation.

The internal control requirements of the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) within the Code of Federal Regulations (Code) (2 C.F.R. § 200.303) requires the Departments to establish and maintain effective internal control over the Medicaid Program to provide reasonable assurance that the Departments are managing the Medicaid Program in compliance with federal statutes, regulations, and the terms and conditions and comply with federal statutes, regulations and terms and conditions of the Medicaid Program. These internal controls should be in compliance with guidance in *Standards for Internal Control in the Federal Government* (otherwise commonly referred to as the Green Book) issued by the Comptroller General of the United States or the *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organization of the Treadway Commission (COSO).

The Code (45 C.F.R. § 95.621(f)(1)), *ADP System Security Requirement*, requires State agencies to be responsible for the security of all automated data processing (ADP) projects under development, and operational systems involved in the administration of the U.S. Department of Health and Human Services programs. State agencies are required to determine the appropriate security requirements based on recognized industry standards or standards governing security of federal ADP systems and information processing.

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FINDING 2019-008 Insufficient Internal Controls over Changes to the Integrated Eligibility System (IES) and Recipient Data (Continued)

The National Institute of Standards and Technology (NIST), Special Publication 800-128, *Guide for Security-Focused Configuration Management of Information Systems*, states critical elements are to include:

- Developed and documented policies, plans, and procedures, and
- Properly authorized, tested, approved and tracking of all changes.

Furthermore, the National Institute of Standards and Technology (NIST), Special Publication 800-53, *Security and Privacy controls for Federal Information Systems and Organizations*, states policies and procedures should be in place detailing who can authorize modifications and how the authorizations are to be documented. Additionally, documentation of authorizations should be obtained prior to implementation.

The Departments' Change Management Policy and Procedure requires that each change to IES have impact scores completed, Departments' approval of the requirements and design documents, Remedy ticket, release notes, and be approved by the IES Bureau Chief to move the change to the production environment.

The Departments' management indicated although they did not have a documented process during the audit period, they believed the process formalized in the August 31, 2019 Change Management Policy and Procedure was adequate. In addition, the Departments' indicated the weaknesses identified during detailed testing were the result of a lack of understanding of the Change Management Policy and Procedure.

Failure to establish and document internal controls over changes to IES and recipient data diminishes the Departments' ability to secure the IES system as well as the recipient data from unauthorized changes and accidental or intentional destruction or alteration. (Finding Code No. 2019-008, 2018-010, 2017-010)

RECOMMENDATION:

We recommend management of both Departments work together to determine and document controls in the Change Management Policy and Procedure for the following:

- Definitions of the various types of changes,
- Specific requirements for the prioritization or classification of changes,
- Specific information required to be entered into the tracking system for each change,
- Definitions of the numerical grading for determining impact,
- Detailed documentation requirements for test scripts and results, impact analysis, design documentation, or other required documentation, and
- Definitions of when changes are required to include a specific requirement, who should review the various steps, and when, and by whom approvals are required.

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FINDING 2019-008 Insufficient Internal Controls over Changes to the Integrated Eligibility System (IES) and Recipient Data (Continued)

The Departments should improve monitoring of established internal control to improve adherence to the control system by Department employees. The Departments should also document internal controls over changes to recipient data residing in IES. This documentation should include the timing for required approvals for recipient data changes. Finally, the Departments should prepare minutes for each UAT Status Meeting and publish them on the Department of Healthcare and Family Services website.

DEPARTMENT OF HUMAN SERVICES' RESPONSE:

The Department of Human Services (DHS) accepts the recommendation. The current IES Change Control Document is under review by DHS, HFS, and DoIT. The IES system has moved from a project to a system in production and with that movement the departments are determining, documenting, and implementing procedures that best fit maintaining a system of this size and importance; while being flexible enough to meet the fast pace changes needed by the business users and the clients. Each agency will strive to improve the internal controls of the Change Management Procedures as we move forward.

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES' RESPONSE:

The Department of Healthcare and Family Services (HFS) accepts the recommendation. HFS will work with DoIT / DHS to ensure controls over IES changes are adequate.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-009 Inadequate Disaster Recovery Controls over the Integrated Eligibility System (IES)

The Department of Healthcare and Family Services and the Department of Human Services (collectively, the “Departments”) lacked adequate disaster recovery controls over the Integrated Eligibility System (IES).

Management of the Departments have shared responsibility for various human service programs in the State and for internal controls over the manual and automated processes relating to eligibility for these programs. The Departments’ IES is the automated system used by the Departments which intakes, processes (with the assistance of caseworkers), and approves recipient applications, maintenance items, and redeterminations in order to determine eligibility and make payments for the State’s human service programs.

The Department of Human Services’ Disaster Recovery Plan (Plan) addresses the recovery and operation of IES. However, we noted the Plan did not include:

- Detailed recovery scripts,
- Support staff and vendor contact information,
- Responsibilities for the recovery of IES,
- Documentation on backups, and
- Was not updated to reflect changes to the current environment.

In addition, the Departments had not conducted disaster recovery testing during the audit period.

The Code of Federal Regulations (Code) (45 C.F.R § 95.621(f)(2)(ii)(F), *ADP System Security Requirements and Review Process*, requires State agencies’ automated data processing (ADP) Security requirements to include contingency plans to meet critical processing needs in the event of short or long-term interruption of service.

The National Institute of Standards and Technology (NIST), Special Publication 800-53, *Security and Privacy Controls for Federal Information Systems and Organizations*, includes disaster recovery plans and the testing of disaster recovery plans as baseline security controls integral to ensuring appropriate security requirements and controls are applied to information systems.

Department management indicated the Plan had not been updated and testing had not been completed due to the ongoing project of upgrading the environment in which IES resides.

The lack of an adequate disaster recovery plan and the failure to perform sufficient testing of such plan could result in the Departments’ inability to recover IES and data. (Finding Code No. 2019-009)

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-009 Inadequate Disaster Recovery Controls over the Integrated Eligibility System (IES) (Continued)

RECOMMENDATION:

We recommend management of the Departments enhance the Disaster Recovery Plan to include:

- Detailed recovery scripts,
- Support staff and vendor contact information,
- Responsibilities for the recovery of IES,
- Documentation on backups, and
- Changes to the current environment.

Additionally, the Departments should perform disaster recovery testing on a regular basis as defined in the Plan.

DEPARTMENT OF HUMAN SERVICES' RESPONSE:

The Department of Human Services (DHS) accepts the recommendation. The current IES Information System Contingency Plan v4.0 (10/2018) is under review at this time by the Acting DoIT – DHS Information Security Officer. Detailed scripts, State and the IES development vendor support / responsible contact information, system backup information are all to be updated on the v5.0 (04/2020) IES Contingency Plan.

DoIT / IES development vendor are not able to participate in Disaster Recovery (DR) exercises for the IES Application at this time. Disaster Recovery functionality is not available in the current production IES environment as it has outgrown the capacity of the disaster recovery hardware. DoIT / HFS is currently working on a multi-phase project to upgrade all IES hardware/software, these systems include a full DR component that will allow for an annual off-site DR test. At such time the IES Infrastructure is fully implemented and ready for DR testing, exercises will commence annually.

DR Planning Finalization and Execution, conducted by the IES development vendor / DoIT is Phase 7 of the IES Long Term System Security Plan (LTSSP) Technical Refresh. Phase 7 of IES Tech Refresh is scheduled to take place mid-2021. Currently, the DR configuration for Production Database Environment IES is in the 'build' and 'testing' phase at DoIT.

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES' RESPONSE:

The Department of Healthcare and Family Services (HFS) accepts the recommendation. HFS will work with DoIT / DHS to ensure the Disaster Recovery Plan is enhanced and tested as soon as possible.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-010 Lack of Detailed Agreement with the Department of Innovation and Technology (DoIT)

The Department of Healthcare and Family Services and the Department of Human Services (collectively, the “Departments”) had not entered into a detailed agreement with the Department of Innovation and Technology (DoIT) to ensure roles and responsibilities for the Integrated Eligibility System (IES) were formally documented.

Management of the Departments have shared responsibility for various human service programs in the State and for internal controls over the manual and automated processes relating to eligibility for these programs. The Departments’ IES is the automated system used by the Departments which intakes, processes (with the assistance of caseworkers), and approves recipient applications, maintenance items, and redeterminations in order to determine eligibility and make payments for the State’s human service programs.

The Departments’ IES application and data resides on DoIT’s environment. In addition, DoIT’s staff is responsible for coordinating and making changes to the IES application and data. Furthermore, DoIT’s staff assists the Departments with user access security.

However, the Departments had not entered into an agreement with DoIT documenting roles and responsibilities for each function they perform on the Departments’ behalf.

The National Institute of Standards and Technology (NIST), Special Publication 800-35, Guide to Information Technology Security Services, states as part of the life cycle in making IT security decisions to outsource services, the organization should document specific attributes of an acceptable service arrangements and levels of service.

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

The Departments have the ultimate responsibility to ensure their critical and confidential data are adequately safeguarded.

The Departments’ management indicated they believed the existing general agreement regarding the relationship between the Departments and DoIT was sufficient.

The Departments’ failure to execute an agreement with DoIT increases the risk that IES functions won’t be performed by each party in accordance with their assigned responsibility. (Finding Code No. 2019-010)

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CURRENT FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

FINDING 2019-010 Lack of Detailed Agreement with the Department of Innovation and Technology (DoIT)

RECOMMENDATION:

We recommend management of the Departments execute a detailed agreement with the Department of Innovation and Technology (DoIT) to ensure the IES System roles and responsibilities required to be performed by each party, are formally documented.

DEPARTMENT OF HUMAN SERVICES' RESPONSE:

The Department of Human Services (DHS) accepts the recommendation. DHS will work with HFS to review the need to execute an agreement with DoIT regarding IES responsibilities.

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES' RESPONSE:

The Department of Healthcare and Family Services (HFS) accepts the recommendation. HFS will work with DHS to review the need to execute an agreement with DoIT regarding IES responsibilities.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-011 Insufficient Review and Documentation of Provider Enrollment Determinations and Failure to Execute Interagency Agreements

The Department of Healthcare and Family Services (HFS), and the Department of Human Services (DHS) (collectively, the “Departments”) failed to design and implement adequate internal controls over the operation of the State of Illinois’ Illinois Medicaid Program Advanced Cloud Technology system (IMPACT). Specifically, we noted the Departments did not sufficiently review and document approval for provider enrollments and had not entered into interagency agreements (IA) defining each agency’s roles and responsibilities.

In July 2015, HFS implemented IMPACT’s Provider Enrollment module, which was designed by HFS to be the State of Illinois’ book of record for the enrollment of providers offering services for and on-the behalf of the State of Illinois’ Medicaid recipients.

HFS’ and DHS’ Roles

As set by the State of Illinois’ State Plan under Title XIX of the *Social Security Act* (State Plan) (Section 1.1), the State’s designated agency responsible for administering and supervising the administration of the Medicaid Program is HFS. However, Section 1.1 of the State Plan allows for HFS to delegate specific functions to other State agencies to assist with the administration of the Medicaid Program, pursuant to a written IA defining each agency’s roles and responsibilities. As such, DHS administers several human service programs under the Medicaid Program, including developmental disabilities support services, rehabilitation services, and substance abuse (prevention and recovery) services.

Auditor Testing and Results

Interagency Agreements

We noted the Departments did not have interagency agreements defining the specific roles and responsibilities.

Quality/Supervisory Reviews Not Conducted

We noted the Departments do not have a process for supervisors to perform, at least on a sample basis, quality reviews of the activities performed by staff to obtain independent evidence that staff members are acting within the scope of their authority and that transactions and events comport with management’s expectations.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-011 Insufficient Review and Documentation of Provider Enrollment Determinations and Failure to Execute Interagency Agreements (Continued)

Detail Sample Testing

Based on the population provided by HFS, during Fiscal Year 2019, 26,529 provider applications were approved. In order to determine if the providers' applications were approved in accordance with federal and State laws/rules/regulations, a sample of 40 approved applications were selected for testing. Our testing of the 40 provider files noted:

- 38 approved provider applications included requests for the applicable Department to backdate their enrollment beginning dates. Of those 38 approved applications we noted:
 - 28 (74%) provider files were for providers who requested the applicable Department to backdate their eligibility beginning date. However, the provider's file did not contain documentation of the Department's reason for allowing an exception and thereby backdating the provider's enrollment. As a result, we could not determine if the backdating of enrollment, and the subsequent payments was proper.
 - 4 (11%) provider files were backdated in excess of HFS' policy, ranging from 19 to 413 days past the 180 day limit.
- 8 (20%) provider files did not contain documentation the applicable Department reviewed the provider's required professional license or board certification to confirm the licenses/certifications were valid at the time the application was approved.
- 3 (8%) provider files did not have documentation the applicable Department confirmed the provider's national board certification end date. In fact the certifications were recorded with open ended expiration dates within IMPACT.
- 1 (3%) provider file noted a felony charge during the screening process. However, there was no documentation the application was sent to the Office of Inspector General (OIG) for detailed review and approval.

DHS Testing

DHS is responsible for the review and approval of the following providers:

- Division of Substance Use Prevention and Recovery (SUPR) – Various Block Grant Programs,
- Division of Developmental Disabilities (DD) – Community Integrated Living Arrangement (CILA) Program,
- Division of Developmental Disabilities (DD) – Home Based Services Program,
- Division of Rehabilitation Services (DR) – Home Services Program,
- Division of Mental Health (MH) – Community Mental Health Care (CMHC), and
- Division of Family and Community Services (FCS) – Early Intervention.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-011 Insufficient Review and Documentation of Provider Enrollment Determinations and Failure to Execute Interagency Agreements (Continued)

During our testing, we determined DHS did not utilize IMPACT as the book of record or rely on it to verify their providers met certain Medicaid requirements prior to approving them to provide services. In fact, DHS was performing procedures to determine if the providers met certain Medicaid eligibility requirements outside of IMPACT. Upon completion of those procedures, DHS entered the information into IMPACT and approved the provider in order to grant the approval for payment. However, DHS did not regularly follow-up on discrepancies identified upon IMPACT completing verification of information, background checks, and professional licensing.

Additionally, on a monthly basis IMPACT checks provider profiles against several databases to determine if the provider licenses are valid and current, and identifies suspected criminal activity. However, we determined DHS was not regularly following up on noted issues.

Although DHS performed various procedures in determining if providers met the Medicaid eligibility requirements, we noted there was no consistent process for reviewing issues identified and reporting to HFS to ensure only eligible providers were paid with federal and/or State funds.

Given IMPACT is the State's book of record for determining provider eligibility and subsequent approval of payment to Medicaid providers and the fact DHS is not utilizing IMPACT as intended, the Departments cannot ensure the payments made to DHS' providers are appropriate and eligible for federal reimbursement.

The Code of Federal Regulations (2 C.F.R. § 200.303), *Internal Controls*, requires the Departments to: (1) establish and maintain effective internal control over the Medicaid Program to provide reasonable assurance that the Departments are managing the Medicaid Program in compliance with federal statutes, regulations, and the terms and conditions; and (2) comply with federal statutes, regulations and terms and conditions of the Medicaid Program. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" (otherwise commonly referred to as the Green Book) issued by the Comptroller General of the United States or the "Internal Control Integrated Framework" issued by the Committee of Sponsoring Organization of the Treadway Commission (COSO).

The *Medicaid Provider Enrollment Compendium* notes it is incumbent on the Departments to mitigate the risk of an improper enrollment, as payments for the backdated period are improper unless an exception applies. HFS' *Individual Approval Process Checklist* states applications may be backdated up to 180 days, if requested by the applicant.

The Code of Federal Regulations (Code) (42 C.F.R. §455.412(a)) requires the Departments to have a method for verifying that any provider claiming to be licensed in accordance with the laws of any State is licensed by such state. In addition, HFS' *Approval Process Document, applicable to Atypical Individuals and Individuals*, requires Departments' staff reviewing licenses to document their review of ensuring the licenses were valid and current in the comments section in IMPACT.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2019-011 Insufficient Review and Documentation of Provider Enrollment Determinations and Failure to Execute Interagency Agreements (Continued)

The Code (42 C.F.R. §455.412(b)) requires the Departments to confirm the provider's license has not expired and there are no current limitations on the provider's license/certification. In addition, HFS' *Approval Process Document, applicable to Atypical Individuals and Individuals*, requires the end date for required licenses/certifications to be current in IMPACT.

HFS' *Approval Process Document, applicable to Atypical Individuals and Individuals*, requires Departments' staff to send applications with felonies to the OIG for review and determination of approval.

The Code (42 C.F.R. 431.17) requires the Departments to maintain records necessary for the proper and efficient operations of the State's Medicaid Plan.

In the prior audit, Departments' management indicated the control deficiencies were due to employee oversight. In the current audit, Departments' management indicated they had not had sufficient time to collect information and develop interagency agreements. Additionally, the Departments' management indicated the errors associated with the approved applications were due to employee oversight.

Inadequate controls over the operation of IMPACT, such as insufficient review and approval of provider enrollment information, may result in providers being inaccurately determined eligible, the State expending federal and State funds for which provider enrollment has not been adequately demonstrated or documented, and may result in future expenditures to providers who are ineligible to provide services to recipients of the State's Medicaid Program. Noncompliance with federal laws and regulations could lead to denied claims, sanctions and/or loss of future federal funding and result in misstatement of agency financial statements. Additionally, failure to execute interagency agreements could expose the State to unnecessary and avoidable litigation. (Finding Code No. 2019-011, 2018-006)

RECOMMENDATION:

We recommend management of the Departments improve controls to ensure each Departments' staff and supervisors are properly obtaining, reviewing, and retaining documentation in IMPACT to support Medicaid provider enrollment.

Additionally, we recommend the Departments execute detailed interagency agreements defining the roles and responsibilities of each agency regarding the Medicaid program. The interagency agreements should sufficiently address the necessary procedures to enforce monitoring and accountability provisions over IMPACT as required by the Code of Federal Regulations and the State Plan so the enrollment of providers offering services is carried out in an efficient and compliant manner.

Furthermore, we recommend DHS utilize IMPACT as their book of record for provider enrollment. DHS should also develop controls to review any noted issues and notify HFS of any issues affecting eligibility.

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FINDING 2019-011 Insufficient Review and Documentation of Provider Enrollment Determinations and Failure to Execute Interagency Agreements (Continued)

DEPARTMENT OF HUMAN SERVICES' RESPONSE:

The Department of Human Services (DHS) accepts the recommendation. DHS will provide written documentation in IMPACT of the documentation and databases that were used to manually verify eligibility. Documentation such as a provider's license or certification will be maintained on file with the Department. As the lead Medicaid Agency, HFS is coordinating with each state agency to define the roles and responsibilities regarding the Medicaid program. DHS will continue to cooperate and comply with the guidance provided by HFS during the interim while the Interagency Agreement is being developed. DHS will continue to collaborate with HFS to execute an interagency agreement that sufficiently addresses the necessary procedures to enforce monitoring and accountability provisions over IMPACT as required by the Code of Federal Regulations so the providers offering services is carried out in an efficient and compliant manner.

Furthermore, DHS agrees that IMPACT is the book of record for determining Medicaid eligibility. DHS will cooperate with HFS to develop adequate controls to ensure applications are reviewed and a process is established for notifying HFS of any issues affecting eligibility. The process of notifying HFS of issues affecting eligibility and the roles and responsibilities for determining a provider's eligibility will be addressed in the Interagency Agreement.

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES' RESPONSE:

The Department of Healthcare and Family Services (HFS) accepts the recommendation. The IMPACT Provider Enrollment Subsystem requires staff to review and update any information that cannot be systemically verified. Furthermore, the system retains an audit trail which indicates updates to the system and the corresponding date, time and employee making the update. Although on some occasions, HFS Provider Enrollment staff failed to properly comment regarding the action they took to manually verify information, the Department provided post audit documentation to substantiate that all providers were eligible at the time that they were approved. This should help to minimize the concern that providers were inaccurately determined to be eligible to provide Medicaid services. HFS has adopted a formal quality assurance process that has been memorialized in a new Standard Operating Procedure (SOP). In addition, HFS is updating existing SOPs, where appropriate, to clearly outline the comment requirements and providing sample comment suggestions to standardize the process amongst all staff. These updates will be shared with staff during future staff training sessions. All SOPs have also been incorporated into the sister agency Interagency Agreements that have been drafted.

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FINDING 2019-012 Inadequate General Information Technology Controls over IMPACT

The Department of Healthcare and Family Services and the Department of Human Services (collectively, the “Departments”) failed to establish and maintain adequate general information technology internal controls (general IT controls) over the operation of the State of Illinois’ Illinois Medicaid Program Advanced Technology system (IMPACT).

In calendar year 2012, the Department of Healthcare and Family Services and the State of Michigan’s Department of Community Health entered into agreements for the State of Illinois (State) to utilize Michigan’s existing Medicaid Management Information System (MMIS) and its related infrastructure with the goal of replacing the State’s MMIS to accommodate the processing of the State’s Medicaid provider enrollment determinations and all Medicaid claim payments to such providers. Since 2012, the State has implemented two phases of IMPACT; Electronic Health Record Medicaid Incentive Payment Program (eMIPP) and Provider Enrollment (PE).

During our testing, we noted the Departments did not have access to or control over IMPACT and its infrastructure. As a result, we were unable to perform adequate procedures to satisfy ourselves that certain general IT controls (i.e. security over the environment, disaster recovery assurance, and change management procedures) over IMPACT were operating effectively during the audit period. The Third Party Service Provider (TSP) did not obtain or provide the Departments with a System and Organization Control (SOC) report, which would provide the State and the auditor’s information on the design and effectiveness of internal control over IMPACT.

Security over Illinois Users

As we noted in the prior year finding, due to 1) the lack of reporting functionality within IMPACT and 2) the Departments not requesting the TSP to develop and provide ad hoc reports, the Departments’ management did not perform access reviews. Although the Departments obtained the reporting functionality in March 2019, they still had not implemented a formalized review of user access rights during the audit period.

During our testing of the Departments’ access provisioning policies, we noted the policies did not define the time period in which the Departments were required to disable a terminated individuals’ IMPACT access. In our testing of 8 terminated IMPACT users, we noted 6 (75%) users had their access terminated 14 to 482 days after their termination of employment.

As a result of the Departments’ failure to establish appropriate security controls over IMPACT, we cannot determine if IMPACT and the State’s data are adequately protected from unauthorized access and accidental or intentional destruction or alteration.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

**FINDING 2019-012 Inadequate General Information Technology Controls over IMPACT
(Continued)**

Disaster Recovery and Backups

The Departments did not have a disaster recovery plan for IMPACT and had not conducted recovery testing of IMPACT during the audit period.

In addition, we requested documentation regarding the backup, including the Departments' due diligence in ensuring the backups were generated successfully, of the Departments' IMPACT data; however, they were unable to provide such documentation.

As a result, of the Departments' failure to implement disaster recovery controls, including the successful performance of backups, the Department has failed to adequately protect IMPACT and the State's data against the possibility of major disruptions of services and the loss of data.

Change Management

As a result of the Departments' failure to obtain a SOC report, as noted above, or conduct their own timely independent internal control reviews over how changes were made by the TSP to IMPACT and its environment, we are unable to determine if the changes made to IMPACT and the State's data during the audit period were proper and approved.

The internal control requirements of the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) within the Code of Federal Regulations (Code) (2 C.F.R. § 200.303) requires the Departments to: (1) establish and maintain effective internal control over the Medicaid Program to provide reasonable assurance that the Departments are managing the Medicaid Program in compliance with federal statutes, regulations, and the terms and conditions; and (2) comply with federal statutes, regulations and terms and conditions of the Medicaid Program. These internal controls should be in compliance with guidance in *Standards for Internal Control in the Federal Government* (otherwise commonly referred to as the Green Book) issued by the Comptroller General of the United States or the *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organization of the Treadway Commission (COSO).

The Code of Federal Regulations (42 C.F.R. §95.621(f)(1)), *ADP System Security Requirement*, requires State agencies to be responsible for the security of all automated data processing (ADP) projects under development, and operational systems involved in the administration of the U.S. Department of Health & Human Services programs. State agencies are required to determine the appropriate security requirements based on recognized industry standards or standards governing security of federal ADP systems and information processing.

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**FINDING 2019-012 Inadequate General Information Technology Controls over IMPACT
(Continued)**

Generally accepted information systems technology guidance (including the National Institute of Standards and Technology and Government Accountability Office) endorses the development of well-designed and well-managed controls to protect computer systems and data, and endorse the formal development and testing of disaster recovery plans. Tests of disaster recovery plans (and the associated documentation of the test results) verify that the plan, procedures, and resources provide the capability to recover critical systems within the required timeframe. Generally accepted information technology guidance also endorses the implementation of suitable change management procedures to control changes to computer systems.

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

The Departments' management indicated the above control deficiencies were due to limited reporting capabilities of IMPACT, employee oversight, and their belief the TSP was responsible for some of the internal controls.

The lack of an adequate disaster recovery plan, the failure to perform sufficient testing of such plan and the failure to successfully and routinely perform backups could result in the Departments' inability to recover IMPACT and data. Failure to understand and document internal controls over user access and changes to IMPACT diminishes the Departments' ability to protect the system and the data from unauthorized changes and accidental or intentional destruction or alteration. (Finding Code No. 2019-012, 2018-005)

RECOMMENDATION:

We recommend management of the Departments implement adequate internal control over the implementation and design of IMPACT, including regular reviews of user access rights, disaster recovery activities, and change management procedures.

DEPARTMENT OF HUMAN SERVICES' RESPONSE:

The Department of Human Services (DHS) accepts the recommendation. DHS will work with HFS to ensure controls over the implementation and design of IMPACT are adequate.

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CURRENT FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

**FINDING 2019-012 Inadequate General Information Technology Controls over IMPACT
(Continued)**

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES' RESPONSE:

The Department of Healthcare and Family Services (HFS) accepts the recommendation. HFS has implemented a user access review process for IMPACT. The Department has worked with Michigan to develop an IMPACT disaster recovery plan that is near completion, pending final signoff. With advisory consultation from Illinois technical resources, the Department will work with Michigan to ensure clearly defined change control measures are established.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-013 Complete Populations not Provided

The Department of Human Services (Department) was unable to provide adequate records substantiating the completeness of populations for one or more laws, regulations, or other requirements selected for testing, as of the end of fieldwork. Due to these conditions, we concluded the Department's population records were not sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the Department's compliance with the following:

- While testing compliance with contractual services, we requested and the Department provided its contractual agreement populations for FY 2019 and FY 2018. However, we could not reconcile the supporting documentation to the Illinois Office of the Comptroller's Agency Contract Report (SC14). In addition, the Department could not provide support that SC14 monthly reconciliations were completed as required by the Statewide Accounting Management System (Procedure 07.30.20). As a result, we were unable to determine if there were additional contractual agreements which should have been subjected to our testing.
- While testing compliance with telecommunications, we requested the Department provide a population of electronic devices assigned to employees who had separated from the Department during the examination period in order to determine if the electronic device was terminated appropriately. However, the Department was unable to provide the population requested. As a result, we were unable to determine if there were additional devices, which should have been subjected to our testing.
- While testing compliance with user access to the Payroll Timekeeping System (PTS), we requested user listings from the Central office and individual facilities in order to determine the accuracy and completeness of the populations. While Elgin Mental Health Center, Ludeman Developmental Center, and Illinois Center for Rehabilitation and Education provided listings, we were unable to verify the accuracy and completeness of these populations because users were not consistent between the Central office and facility listings.
- While testing obsolete or unused property at Elgin Mental Health Center, we noted the facility does not maintain a tracking mechanism for its obsolete or unused property. Due to this condition, we could not conclude that Elgin Mental Health Center's population records were sufficiently precise and detailed to test the obsolete or unused property.
- While testing compliance with various Mental Health and Developmental Disabilities Administrative Acts at the State Operated Mental Health and Development Disabilities facilities, we noted the following:
 - For the Mental Health and Developmental Disabilities Code (MH Code) (405 ILCS 5/2-108(a) thru 5/2-108(h)), the Ludeman Developmental Center and Chicago-Read Mental Health Center were unable to provide adequate records substantiating the population of employees trained to use restraints issued during the examination period.
 - For the MH Code (405 ILCS 5/2-108(g) thru 5/2-108(h)), the Ludeman Developmental Center was unable to provide adequate records substantiating the population of restraints issued during the examination period.
 - For the MH Code (405 ILCS 5/4-704), the Murray Developmental Center was unable to provide adequate records substantiating the population of clients released from the facility during the examination period.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-013 Complete Populations not Provided (Continued)

- For the Mental Health and Developmental Disabilities Administrative Act (MH Administrative Act) (20 ILCS 1705/47), the Ann M. Kiley Developmental Center, Ludeman Developmental Center, McFarland Mental Health Center, John J. Madden Mental Health Center, and Murray Developmental Center were unable to provide adequate records substantiating the populations of visitor entry logs (for visitors who visited the facilities' residents) during the examination period.
- For the MH Code (405 ILCS 5/2-113(a) – (f)), the Chicago-Read Mental Health Center, Ludeman Developmental Center, and Murray Developmental Center were unable to provide adequate records substantiating the population of individuals requesting information on residents' admissions during FY 2019 and FY 2018. In addition, the John J. Madden Mental Health Center was unable to provide adequate records substantiating the population of individuals requesting information on residents' admissions during FY 2018. The William G. Murray Developmental Center did not provide an accurate population of residents admitted to the Facility during the examination period.
- For the MH Code (405 ILCS 5/4-201(a)), the John J. Madden Mental Health Center was unable to provide adequate records substantiating the population of dually diagnosed individuals as the reports are only able to be generated once an individual has been discharged from the Center. As such, any individuals who had been determined to be dually diagnosed during the examination period, but still resided at the facility, would not have been included in the population provided.
- For the MH Administrative Code (20 ILCS 1705/7), the John J. Madden Mental Health Center was unable to provide adequate records substantiating the population of all recipients who received dental treatment during the examination period as the reports are only able to be generated once an individual has been discharged from the Center. As such, any individuals who had been treated during the examination period, but still resided at the facility, would not have been included in the population provided.
- For the MH Administrative Code (20 ILCS 1705/7), the Illinois Center for Rehabilitation and Education was unable to provide adequate records substantiating the population of instances of suspected patient abuse or neglect. The reports provided included instances ranging from minor bumps and bruises to cases of suspected abuse or neglect.

Even given the population limitations noted above which hindered our ability to conclude whether the selected sample was representative of the population as a whole, we obtained the population provided by the Department for each of the areas above, selected a sample, and tested for compliance. For the samples tested, noncompliance was reported for the following: Finding 2019-014 for the Mental Health and Developmental Disabilities Code (405 ILCS 5/2-108(a) thru 5/2-108(h)); Finding 2019-015 for the Mental Health and Developmental Disabilities Administrative Act (20 ILCS 1705/47); Finding 2019-016 for the Mental Health and Developmental Disabilities Code (405 ILCS 5/4-704), (405 ILCS 5/2-113(a) through (f)), and (405 ILCS 5/4-201(a)); Finding 2019-017 for the Mental Health and Developmental Disabilities Administrative Act (20 ILCS 1705/7).

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-013 Complete Populations not Provided (Continued)

According to the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35), when using information produced by the entity, the practitioner should evaluate whether the information is sufficiently reliable for the practitioner's purposes, including, as necessary, obtaining evidence about the accuracy and completeness of the information, and evaluating whether the information is sufficiently precise and detailed for the practitioner's purposes.

The State Records Act (5 ILCS 160/8) requires the Secretary of Human Services to make and preserve records containing adequate and proper documentation of the essential transactions of the Department to protect both the legal and financial rights of the State and of persons directly affected by the Department's activities.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies establish and maintain a system of internal fiscal and administrative controls which provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law.

Department management indicated that substantiating a complete population for the areas listed was difficult based on the nature of the populations.

Without the Department providing complete and adequate documentation to enable testing, we were impeded in completing our procedures and providing useful and relevant feedback to the General Assembly regarding the Department's compliance for the above areas. Further, the Department is unable to demonstrate it has met each compliance requirement it is subject to when sufficient records are not maintained. (Finding Code No. 2019-013, 2017-013)

RECOMMENDATION:

We recommend Department management and staff strengthen controls over records maintenance for each area in which a compliance requirement is present. To every extent possible, population records should be sequentially numbered.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will work to strengthen its controls over records maintenance.

The Department will work to ensure Contract Administration Obligations Unit staff follow the monthly SC14 process and procedures to ensure out of balance reconciliations of the SC14 Report are completed and that documentation is properly maintained.

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FINDING 2019-013 Complete Populations not Provided (Continued)

The Department will work to develop a means of identifying electronic devices assigned to separated employees.

The Central Payroll office has recently filled a position to manage and oversee agency timekeeping/payroll access and security.

The Ludeman Center will implement a corrective action plan including retraining of staff and implementation of consistent reviews of the Center's PTS access. State-Operated Developmental Center (SODC) Operations will work with these Centers to provide re-training and monitoring to ensure compliance.

The Department will implement a tracking system to monitor obsolete or unused property at the Mental Health Centers, ensure proper tracking of employees trained to use restraints, enhance visitor entry logs, and investigate system changes that would assist in tracking patient details prior to discharge from a Mental Health Center.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-014 Noncompliance with Statutory Requirements Regarding the Use of Restraints

The Department of Human Services (Department) did not comply with statutory requirements regarding the use of restraints.

During fieldwork we performed on-site testing regarding the use of restraints at eight of the Department's State-operated facilities. As noted in Finding 2019-013, we were unable to obtain a complete population of:

- Ludeman Developmental Center - restraints issued and employees trained to issue restraints on residents during the examination period, and
- Chicago-Read Mental Health Center - employees trained to issue restraints on residents during the examination period.

Although we were unable to obtain the above complete populations, across all eight facilities we sampled and tested a total of 108 employees who administered restraints and 159 residents who were placed in restraints, which resulted in the following exceptions at seven of the Department's facilities:

Elgin Mental Health Center

- For 1 out of 8 (13%) residents placed in restraints, the facility did not maintain adequate documentation that the employee who administered the restraint had a non-expired restraint training certification at the time that the restraint was administered. The training records for this individual could not be located.
- For 7 out of 24 (29%) residents placed in non-emergency restraints, the facility did not maintain adequate documentation supporting the restraint was employed only upon a written order.
- For 4 out of 24 (17%) residents placed in non-emergency restraints, adequate documentation was not maintained that the facility director or designee was informed in writing of the use of the restraint, within 24 hours by the person who ordered the restraint.
- For 1 out of 24 (4%) residents placed in non-emergency restraints, the facility did not maintain adequate documentation the employee who administered the restraint had a non-expired restraint training certification at the time that the restraint was administered. Upon review of the training records provided by the facility, the restraint was administered 23 days after the restraint training certification expired.

Ludeman Developmental Center

- For 1 out of 8 (13%) residents placed in restraints, the Order for Restraint (IL 462-0044 RD) did not include the signature of the employee who ordered the restraint. As a result, we could not determine if the employee was trained as required.
- For 3 out of 8 (38%) residents placed in restraints, the facility was unable to locate the Order for Restraint (IL 462-0044 RD) and other restraint records.
- For 5 out of 8 (63%) residents placed in restraints, adequate documentation was not maintained that the facility director or designee was informed in writing of the use of the restraint, within 24 hours by the person who ordered the restraint.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-014 Noncompliance with Statutory Requirements Regarding the Use of Restraints (Continued)

- For 1 out of 8 (13%) residents placed in restraints, the recipient was not examined by a physician or supervisory nurse, within two hours after the initial employment of the emergency restraint.
- Twelve out of 22 (55%) employees tested did not receive the required annual training in the safe and humane application of the type of restraint used and type of restraint that was authorized by the facility.

McFarland Mental Health Center

- For 16 out of 20 (80%) residents placed in restraints, the facility did not require the instructor to sign the Competency Skills Checklist for 36 associated employees.
- For 7 out of 20 (35%) residents placed in restraints, the facility was unable to provide the annual Competency Skills Checklist for three employees.
- For 10 out of 20 (50%) residents placed in restraints, the facility had five employees whose training requirements were not complete within a year of the restraint being ordered. The five employees' trainings were complete between 35 to 265 days late.
- For 3 out of 20 (15%) residents placed in restraints, adequate documentation was not maintained that the facility director or designee was informed in writing within 24 hours of the use of the restraint by the person who ordered the restraint.
- For 4 out of 8 (50%) residents placed in restraints in which a secondary restraint was employed within a 24-hour period, the facility did not obtain prior written authorization from the facility director.
- For 4 out of 10 (40%) residents placed in non-emergency restraints, the facility could not provide documentation to show who applied the restraints. As a result, we could not determine if the employee was trained as required.

Chicago-Read Mental Health Center

- For 2 out of 13 (15%) employees tested who administered restraints, the facility employee administering the restraint did not have training in the safe and humane application of administering the restraint.

Jack Mabley Developmental Center

- For 1 out of 18 (6%) residents placed in restraints, the facility did not record the length of time the restraint was to be employed or the clinical justification for the length of time.

John J. Madden Mental Health Center

- For 2 out of 10 (20%) residents placed in restraints, the facility did not maintain adequate documentation that the restraint order was reviewed by the facility director on a daily basis. Supporting documentation for one resident had been disposed of and the other could not be located.
- For 3 out of 10 (30%) residents placed in restraints, adequate documentation was not maintained that the facility director or designee was informed in writing within 24 hours of the use of the restraint by the person who ordered the restraint.
- For 1 out of 10 (10%) residents placed in restraints in which a secondary restraint was employed within a 24-hour period, the facility did not obtain prior written authorization from the facility director.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-014 Noncompliance with Statutory Requirements Regarding the Use of Restraints (Continued)

Murray Developmental Center

- For 1 out of 1 (100%) residents placed in restraints who use sign language as the primary means of communication, the facility did not complete all required documentation. Specifically, page 7 of the Supplemental Report for Restraint and/or Emergency Behavior Intervention Procedures document was not complete.

The Mental Health and Developmental Disabilities Code (MH Code) (405 ILCS 5/2-108(a)) requires a written order of a physician, clinical psychologist, clinical social worker, clinical professional counselor, or registered nurse with supervisory responsibilities to employ the use of restraint. Section (405 ILCS 5/2-108(b)) requires in the event of a temporary emergency restraint order, a physician or supervisory nurse shall examine the recipient within two hours after the initial employment of the emergency restraint. Section (405 ILCS 5/2-108(c)) of the MH Code requires the person who ordered the restraint to inform the facility director or his designee in writing of the use of the restraint within 24 hours. Section (405 ILCS 5/2-108(d)) of the MH Code requires the facility director to review all restraint orders daily and inquire into reasons for the orders for restraint by any person who routinely orders them. Section (405 ILCS 5/2-108(e)) of the MH Code states that restraints may be employed during all or part of one 24-hour period, the period commencing with the initial application of the restraint. However, once a restraint has been employed during one 24-hour period, it shall not be used again on the same resident during the next 48 hours without the prior written authorization of the facility director. Finally, Section (405 ILCS 5/2-108(g)) of the MH Code mandates all employees authorized to employ restraints on patients receive training in the safe and humane application of restraints and is required to maintain records detailing which employees have been trained and are authorized to apply restraint, the date of the training, and the type of restraint that the employee was trained to use.

According to the Facility Procedural Guide #MD460 Use of Restraints & Seclusion (Containment) in Mental Health Facilities, all staff involved in the use of mechanical restraint and seclusion is to receive training and to demonstrate (ongoing and annual) competence. Only staff with demonstrated competency may implement, monitor, or supervise the use of restraint and seclusion in a Department Mental Health facility.

Further, the Department's Mental Health Program Directive (02.03.03.010) requires that authorized staff write an order for restraint on the IL462-0044 RD after personally observing and examining the resident. In addition, the Directive requires that the Supplemental Report of the Use of Restraint and/or Emergency Behavior Intervention Procedures should be completed and reviewed by the authorized person or other individual designated in State Operated Developmental Centers (SODC) policy.

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

Department management indicated the conditions noted were due to a combination of human error, the practice of issuing verbal restraint orders and signing the written order after the restraint is applied, and policies and procedures not being followed.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-014 Noncompliance with Statutory Requirements Regarding the Use of Restraints (Continued)

Failure to have adequate internal control over the use and application of restraints, and the training of persons administering restraints is noncompliance with the MH Code and could adversely affect the care and treatment of residents and could subject the State to unnecessary legal risks. Furthermore, failure to re-train personnel within 12-month periods represents noncompliance with the Department's Mental Health Program Directive. Failure to retain complete and accurate records represents noncompliance with the State Records Act. (Finding Code No. 2019-014, 2017-015, 2015-010, 2013-032, 11-17)

RECOMMENDATION:

We recommend Department management re-train staff on compliance with statutory requirements regarding the use of restraints. This training should include documentation requirements when restraints are ordered. We also recommend Department management establish a process to monitor that annual training requirements are complied with.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will implement corrective action plans that include re-training staff and monitoring compliance to ensure requirements regarding the use of restraints are met.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-015 Noncompliance with Statutory Requirements Regarding the Monitoring of Facility Visitors.

The Department of Human Services (Department) did not comply with statutory requirements regarding the monitoring of facility visitors.

The Mental Health and Developmental Disabilities Administrative Act (MH Act) (20 ILCS 1705/47) requires the facility's director to develop and implement written policies and procedures to insure that employees and visitors are properly identified at all times they are on the grounds of the facility.

Although we were unable to obtain a complete population of visitor entry logs issued from five facilities during the examination period (Ann M. Kiley Developmental Center, Ludeman Developmental Center, McFarland Mental Health Center, John J. Madden Mental Health Center, and Murray Developmental Center), we performed on-site testing at eight of the Department's State-operated facilities regarding monitoring of facility visitor (see Finding 2019-013). We sampled and tested 96 entry logs across the eight facilities. Our testing of entry logs resulted in the following exceptions:

Elgin Mental Health Center

- For 6 out of 8 (75%) entry logs tested at the administrative building, the facility could not provide documentation to show visitors signed in at the home of the individual being visited (unit home).
- The facility did not retain a copy of all administrative building entry logs created during the examination period. Specifically, the facility was unable to provide the logs for the period July 1, 2017 through December 31, 2018.
- The facility's administrative building entry log appeared to be incomplete. Missing information included several visitors' organizations, patient/area/staff, relationship/purpose, arrival times, and dates.

Ann M. Kiley Developmental Center

- For 2 out of 8 (25%) entry logs tested at the unit homes, visitors signed in at the unit home but did not sign in at the administrative building.
- For 5 out of 8 (63%) entry logs tested at the administrative building, visitors signed in at the administrative building but did not sign in at the unit home. We also noted the facility could not provide a copy of the respective resident's Progress Notes or the Form AKC-711. The facility's policy and procedures regarding *Facility Access* and *Visits to Individuals* requires visitors go directly to the switchboard upon arrival on facility grounds and sign the visitor's log. It also requires that all visits and contacts be documented in the resident's progress notes and on the AKC Visit Record (AKC-711).
- The facility's unit home logs contain a statement indicating sign-in sheets would be retained for 3 months, whereas the Department's record retention policy (Policy 95-85 #7) states sign-in sheets must be retained for a period of 5 years.
- The facility's administrative building entry log appeared to be incomplete. Missing information included several visitors' organizations, patient/area/staff, relationship/purpose, departure times, and dates.
- The facility did not maintain adequate physical safeguards regarding building access and monitoring.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-015 Noncompliance with Statutory Requirements Regarding the Monitoring of Facility Visitors (Continued)

Ludeman Developmental Center

- The facility did not retain a copy of all unit home entry logs created during the examination period because the facility's internal policy (ELC #77) over unit home entry logs states visitor logs should be retained for six months, whereas the Department's record retention policy (Policy 95-85 #7) states the entry logs should be retained for a period of 5 years.
- The facility did not retain a copy of all business building entry logs throughout the examination period. Specifically, the facility was unable to provide the visitor sign-in logs for the months of December 2017, August 2018, September 2018, and December 2018 (4 out of 24 months, 16.7%) located in the business building (Building 60). The facility was also unable to provide any visitor sign-in logs for the unit I neighborhood house for FY 2018 (12 out of 24 months, 50%). Furthermore, for the unit II neighborhood house, visitor sign-in logs could not be provided for July 2017 through April 2018, July 2018 through August 2018, and January 2019 through June 2019 (18 out of 24 months, 75%).
- For 1 out of 8 (13%) House 53 entry logs tested, the entry log for February 25, 2019 could not be located.
- For 2 out of 8 (25%) entry logs tested at the administrative building, visitors signed in at the administrative building but did not sign in at the unit home.
- The facility's main building entrances entry logs appeared to be incomplete. Missing information included relationship/purpose, arrival and departure times, and dates.

McFarland Mental Health Center

- The facility's Procedural Guide outlines that logs will be retained for six months, whereas, the Department's records retention policy states the logs should be retained for five years.
- The facility's entry logs at the business building and unit homes appeared to be incomplete. Missing information included relationship/purpose, arrival and departure times, and dates.
- The facility's policies and procedures state that if a visitor is visiting a civil patient, the visitors are to only write the first name of the patient(s) they are visiting to ensure patient confidentiality. We noted numerous instances where patients' full names were included in the visitor logs.

Chicago-Read Mental Health Center

- For 5 out of 8 (63%) entry logs tested at the administrative building, visitors signed in at the administrative building but the facility could not provide documentation to show any sign in at the unit homes.
- The facility's administrative building entry log appeared to be incomplete. Missing information included several visitors' organizations, patient/area/staff, relationship/purpose, arrival and departure times, and dates.

Jack Mabley Developmental Center

- The facility's entry logs appeared to be incomplete. While reviewing the facility's entry logs for completeness we noted 27 instances where a time out was not recorded.
- The facility did not maintain adequate physical safeguards regarding building access and monitoring.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-015 Noncompliance with Statutory Requirements Regarding the Monitoring of Facility Visitors (Continued)

John J. Madden Mental Health Center

- The facility did not retain a copy of all entry logs created during the examination period because the practice is to discard the entry logs after a period of one year. In addition, the facility's internal policy over pavilion entry logs states visitor logs should be disposed of every 30 days, whereas the Department's record retention policy (Policy 95-85 #7) states the entry logs should be retained for a period of 5 years.
- The facility did not retain a copy of all pavilion entry logs created during the examination period. Specifically, the facility was unable to provide logs for the months of May 2019 and June 2019.
- For 5 out of 8 (63%) entry logs tested at the pavilions, visitors signed in at the pavilion but did not sign in at the security desk.
- For 6 out of 8 (75%) entry logs tested at the security desk, visitors signed in at the security desk but did not sign in at the pavilion.

Murray Developmental Center

- For 4 out of 8 (50%) entry logs tested at the main administrative building, visitors signed in at the administrative building but the facility could not provide documentation to show the visitor signed in at the unit homes.
- For 7 out of 8 (88%) visitors tested, the visitor signed in at the resident's home but did not also sign-in at the administrative building.
- The facility did not retain a copy of all entry logs created during the examination period because the practice is to discard the entry logs after a period of two years, whereas the Department's record retention policy (Policy 95-85 #7) states the entry logs should be retained for a period of 5 years.
- The facility failed to enforce its visitor policy and procedures after regular business hours (4:30 pm Monday through Friday and on weekends).
- The facility's administrative building entry log appeared to be incomplete. Missing information included several visitors' organizations, patient/area/staff, relationship/purpose, and arrival and departure times.
- The facility did not maintain adequate physical safeguards regarding building access and monitoring.

Illinois Center for Rehabilitation and Education

- The facility's administrative building entry log appeared to be incomplete. Missing information included several visitors' name, relationship/purpose, arrival and departure times, and dates.

The Department's Records Retention Policy (Policy 95-85 #7) requires the retention of all visitor logs for a period of five years.

The State Records Act (5 ILCS 160/8) requires the Secretary of Human Services to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Department's activities. Additionally, the State Records Act (5 ILCS 160/17a) states that regardless of other authorization to the contrary, no record shall be disposed of by the facility, unless approval of the State Records Commission is first obtained.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-015 Noncompliance with Statutory Requirements Regarding the Monitoring of Facility Visitors (Continued)

The Illinois Administrative Code (59 Ill. Admin Code 102.10(e)) states only persons on official business, such as employees, authorized visitors, and persons providing required goods and services shall have access to center/program campuses and property.

Department management indicated the conditions noted were due to lack of training and resources, human error and failure to follow policy and procedures.

Failure to enforce policies and procedures to ensure compliance with the MH Act governing the identification of all visitors to a facility could result in unauthorized individuals' access to facility grounds, posing an increased risk to the safety of the residents and facility staff. Additionally, failure to provide adequate physical safeguards regarding building access and monitoring could also result in unauthorized access to the facility campus and residents. (Finding Code No. 2019-015, 2017-016)

RECOMMENDATION:

We recommend Department management enforce policies and procedures to ensure compliance with the MH Act regarding visitors to facilities. The policies and procedures should include training personnel on compliance requirements and implement management oversight over compliance requirements. We also recommend each facility retain visitor logs for 5 years as required. Further, we recommend the Department improve controls over building access and monitoring.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. Department management will enforce policies and procedures to ensure compliance with the MH Act regarding visitors in MH Facilities. Furthermore, the Department will ensure staff are properly trained regarding visitor compliance requirements and retention of visitor logs.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-016 Noncompliance with Statutory Requirements Regarding Residents' Admissions and Discharges

The Department of Human Services (Department) did not comply with statutory requirements regarding residents' admissions and discharges.

Noncompliance with Resident Admission Rules and Regulations

The Mental Health and Developmental Disabilities Code (MH Code) (405 ILCS 5/2-113(a)) requires that upon admission, the facility inquire of the resident if a spouse, family member, friend or an agency is to be notified of their admission. Good internal control requires employees to complete an admission form and maintain a copy of the admission form in the resident's file. The form should be signed by the employee making the inquiry of the resident.

Additionally, the MH Code (405 ILCS 5/2-113(b)-(f)) indicates that any person may request information from a developmental disability or mental health facility relating to whether an adult resident or minor resident admitted pursuant to Section 3-502 has been admitted to the facility. Any parties requesting information must submit proof of identification and list their name, address, phone number, relationship to the resident and reason for the request. The facility shall respond to the inquirer within 2 working days. If the resident is located at the facility, the facility director shall inform the resident of the request and shall advise the resident that disclosure of his presence at the facility will not obligate the resident to have contact with the inquirer. No information shall be disclosed unless the resident consents in writing to the disclosure. If the resident has consented to the release of information the facility shall inform the requesting party that the resident is located at the facility. The facility shall, with the resident's consent, tell the requesting party how to contact the resident. When the resident is not located at the facility or when the resident does not consent in writing to release such information, the facility shall inform the consenting party that no information is available regarding that person. Transactions pursuant to this section shall be noted in the resident's record.

During fieldwork, we performed on-site testing at eight of the Department's State-operated facilities regarding resident admissions. Although we were unable to obtain a complete population of individuals requesting information on residents' admissions from four facilities during the examination period (Ludeman Developmental Center, Chicago-Read Mental Health Center, John J. Madden Mental Health Center, and Murray Developmental Center, see Finding 2019-013), we sampled and tested 64 residents and 49 requests for information across the eight facilities which resulted in the following exceptions at six facilities:

Elgin Mental Health Center

- For 1 out of 8 (13%) new admissions tested, the facility did not maintain a Notice of Admission record for the resident.
- For 11 out of 16 (69%) residents tested, resident files lacked documentation of any requests for information pertaining to the resident.
- For 5 out of 16 (31%) residents tested, facility staff did not record all required information from the requestors. The missing information included the requestor's address, reason for the request, and the relationship to the resident.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-016 Noncompliance with Statutory Requirements Regarding Residents' Admissions and Discharges (Continued)

- For 16 out of 16 (100%) residents tested, facility staff did not respond to individuals requesting information regarding a resident.
- For 1 out of 16 (6%) residents tested, facility staff did not inform the resident of the request for information.

Ludeman Developmental Center

- For 1 out of 8 (13%) new admissions tested, facility staff failed to make contact with a designated individual at the resident's consent within the 24-hour time frame. The notice was sent in the mail one day late.
- The facility has inadequate controls over documentation supporting requests for information were responded to within two working days.

Chicago-Read Mental Health Center

- For 5 out of 32 (16%) residents tested, facility staff did not record all required information from the individual requesting information. The missing information included the requestor's phone number, relationship to the resident, and address.

Jack Mabley Developmental Center

- Although the facility indicated there were no external inquiries for information that were rejected during the examination period, the facility does not have a policy requiring the maintenance of documentation in residents' files regarding requests for information that have been rejected, when applicable.

John J. Madden Mental Health Center

- For 1 out of 1 (100%) new admissions tested where there was an inquiry regarding admission, facility staff did not record all required information from the requestor. The missing information included the requestor's relationship to the resident and address.

Murray Developmental Center

- For 2 out of 8 (25%) new admissions tested, adequate documentation was not maintained indicating an attempt was made by facility staff to contact at least two designated persons or agencies concerning their admission.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-016 Noncompliance with Statutory Requirements Regarding Residents' Admissions and Discharges (Continued)

Section (405 ILCS 5/4-201(a)) of the MH Code requires that a person with an intellectual disability shall not reside in a Department mental health facility unless the person is evaluated and is determined to be a person with mental illness and the facility director determines that appropriate treatment and habilitation are available and will be provided to such person in the unit. In all such cases the Department mental health facility director shall certify in writing within 30 days of the completion of the evaluation and every 30 days thereafter, that the person has been appropriately evaluated, that services specified in the treatment and habilitation plan are being provided, that the setting in which services are being provided is appropriate to the person's needs, and that provision of such services fully complies with all applicable federal statutes and regulations concerning the provision of services to persons with a developmental disability. The certifications shall be filed in the resident's record and with the office of the Secretary of the Department. A copy of the certification shall be given to the person, an attorney or advocate who is representing the person and the person's guardian.

Section (405 ILCS 5/4-201(b)) of the MH Code requires any person admitted to a Department mental health facility to be evaluated within a reasonable period of time, but in no case should that period exceed 14 days after admission. The MH Code (405 ILCS 5/4-309(a)) further requires the facility to prepare a written habilitation plan consistent with the resident's diagnosis and needs within 14 days of admission. Section (405 ILCS 5/4-309(b)) of the MH Code requires the habilitation plan to describe the habilitation goals; a projected timetable for their attainment; the services to be provided; the role of the family in the implementation of the plan; and the name of the person responsible for supervising the habilitation plan.

Section (405 ILCS 5/4-203(a)) of the MH Code requires every developmental disabilities facility to maintain adequate records which should include information regarding the section of the MH Code under which the resident was admitted, any subsequent change in the resident's status, and requisite documentation for such admission and status. Section (405 ILCS 5/4-203(b)) of the MH Code requires the Department to ensure that a monthly report is maintained for each Department mental health facility and each unit of a Department developmental disability facility for dually diagnosed persons. The monthly report should include information regarding whether or not there is a public or private guardian and whether the facility director has certified that appropriate treatment and habilitation are available for and being provided to such person.

During fieldwork, we performed on-site testing at four of the Department's State-operated facilities regarding residents with intellectual disabilities and mental illness. Although we were unable to obtain a complete population of residents under the care of the John. J. Madden Mental Health Center during the examination period (as noted in Finding 2019-013), we sampled and tested 60 residents across the four facilities, which resulted in the following exceptions at three of the Department's facilities:

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-016 Noncompliance with Statutory Requirements Regarding Residents' Admissions and Discharges (Continued)

Elgin Mental Health Center

- For 1 out of 15 (7%) residents tested, adequate documentation was not maintained indicating the resident received an evaluation every 30 days after the initial admission evaluation. The evaluations were missing for November 2018 and March 2019.
- For 3 out of 15 (20%) residents tested, facility staff did not maintain monthly notices of certification in the residents' records.
- For 2 out of 15 (13%) residents tested, facility staff did not prepare treatment plans within 3 days of admission. The treatment plans were completed between 1 and 2 days late.
- For 1 out of 15 (7%) residents tested, facility staff did not send the monthly certification to the resident's guardian.

Chicago-Read Mental Health Center

- For 1 out of 15 (7%) residents tested, the resident did not receive an evaluation every 30 days after the initial admission evaluation. The evaluation for July 2017 was 3 days late.

John J. Madden Mental Health Center

- For 8 out of 15 (53%) residents tested, the resident was diagnosed as having an intellectual disability, but never evaluated or certified by the Qualified Intellectual Disabilities Professional (QIDP).
- For 3 out of 15 (20%) residents tested, the resident did not receive an intellectual disability evaluation within 14 days of admission. The evaluations were completed between 16 and 90 days late.
- For 3 out of 15 (20%) residents tested, facility staff did not include a written assessment of whether the individual needed a habilitation plan.
- The facility did not file any certifications with the office of the Secretary of the Department during the examination period.
- For 1 out of 4 (25%) monthly reports tested, facility staff did not adequately complete the reports for dually diagnosed persons. The April 2019 report did not include (1) the date, facility, and unit of admission or continuing care, (2) the recipient's diagnosis, (3) the date, facility, and unit of transfer or discharge, (4) whether or not there is a public or private guardian, (5) whether the facility director has certified that appropriate treatment and habilitation are available for and being provided to such person pursuant to Section 4-203 of this Chapter, and (6) whether the person or a guardian has requested review as provided in Section 4-209 of this Chapter and, if so, the outcome of the review.

Noncompliance with Resident Discharge Rules and Regulations

The Mental Health and Developmental Disabilities Code (MH Code) (405 ILCS 5/4-704(a)) requires the facility director to give written notice of the discharge to the resident, if he or she is 12 years of age or older, to the attorney and guardian, if any, to the person who executed the application for admission, and to the resident's school district when appropriate, at least 14 days prior to the discharge of a resident from a Department developmental disabilities facility under Section 4-701 or 4-702 of the MH Code. The notice, except that to the school district, should include the reason for the discharge and a statement of the right to object.

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FINDING 2019-016 Noncompliance with Statutory Requirements Regarding Residents' Admissions and Discharges (Continued)

Additionally, Section (405 ILCS 5/3-903(a)) of the MH Code requires the facility director to give written notice of discharge from a Department mental health facility to the resident, his attorney, and guardian, if any, or in the case of a minor, to his attorney, to the parent, guardian, or person in loco parentis who executed the application for admission, to the resident's school district when appropriate, and to the minor if he is 12 years of age or older. The notice, except that to the school district, should include the reason for discharge and a statement of the right to object. Whenever possible, the notice should be given at least 7 days prior to the date of intended discharge.

During fieldwork, we performed on-site testing at four of the Department's State-operated facilities regarding discharge rules and regulations. Although we were unable to obtain a complete population of residents discharged from the Murray Developmental Center during the examination period (see Finding 2019-013), we sampled and tested a total 55 resident files across the four developmental facilities and 60 resident files across the four mental health facilities, which resulted in the following exceptions at five of the Department's facilities:

Ludeman Developmental Center

- For 8 out of 15 (53%) residents tested, the facility director did not provide written notice of discharge to the resident at least 14 days prior to the discharge. The written notices were 5 to 63 days late.
- For 8 out of 15 (53%) residents tested, the facility director did not provide written notice of discharge to the resident's guardian at least 14 days prior to the discharge. The written notices were 5 to 15 days late.
- For 2 out of 15 (13%) residents tested, the written notice of discharge form did not have the date the resident received the notice; thus, we could not determine if the resident received a notice of discharge 14 days prior to discharging.

McFarland Mental Health Center

- For 1 out of 15 (7%) residents tested, the facility did not maintain records of the written notice of discharge.

Chicago-Read Mental Health Center

- For 2 out of 15 (13%) residents tested, the facility did not maintain records of the written notice of discharge or the notice of transfer.

John J. Madden Mental Health Center

- For 1 out of 15 (7%) residents tested, the facility director did not provide a written notice of discharge to the resident.
- For 1 out of 15 (7%) residents tested, the facility director did not provide a written notice of discharge to the resident's guardian.
- For 1 out of 15 (7%) residents tested, the written notice of discharge did not include the reason for the discharge.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-016 Noncompliance with Statutory Requirements Regarding Residents' Admissions and Discharges (Continued)

Murray Developmental Center

- For 9 out of 15 (60%) residents tested, the facility director provided no written notices of discharge to the resident.
- For 1 out of 15 (7%) residents tested, the facility director provided a written notice of discharge to the resident two days prior to the discharge date (5 days late).
- For 2 out of 15 (13%) residents tested, the facility director did not provide written notice of discharge to the resident's guardian at least 14 days prior to the discharge. The written notices were 1 and 11 days late.

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

Department management indicated the conditions noted were due to human error, lack of training, and failure to follow procedures.

Failure to ensure conformity with statutory requirements regarding each resident's admission to and discharge from Department facilities could adversely impact the care and treatment of each resident, could hinder a resident's interaction with parties external to the facility, may result in intellectually disabled persons not residing in a facility appropriate to their needs, and represents noncompliance with State law. (Finding Code No. 2019-016, 2017-017)

RECOMMENDATION:

We recommend Department management review its systems of internal control over compliance to ensure:

- 1) The Department's policies and procedures at each facility are up-to-date with current law and communicated to all staff;
- 2) Facility-level and Department-wide training on the Department's policies and procedures for areas with recurrent noncompliance or complexity are performed; and,
- 3) A monitoring process is functioning to timely identify areas of noncompliance with State laws and Department policies at the facilities and implement corrective action.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will review its systems of internal control over compliance to ensure policies and procedures are up-to-date and communicated to all staff. Necessary training for staff will be provided and the Department will create a monitoring process to identify and correct areas of noncompliance with State laws and Department policies.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-017 Noncompliance with Statutory Requirements Regarding Residents' Dental, Mental, Physical Examinations, and Instances of Suspected Abuse or Neglect

The Department of Human Services (Department) did not comply with statutory requirements regarding residents' dental, mental, and physical examinations.

The Mental Health and Developmental Disabilities Administrative Act (MH Act) (20 ILCS 1705/7) requires that all residents in a Department facility be given a dental examination by a licensed dentist or registered dental hygienist at least once every 18 months and be assigned to a dentist for such dental care and treatment as is necessary. In addition, the MH Act also states that all medications administered to recipients shall be administered only by those persons who are legally qualified to do so by the laws of the State of Illinois and that medication shall not be prescribed until a physical and mental examination of the recipient has been completed.

In addition the MH Act requires every facility under the jurisdiction of the Department to maintain copies of all suspected abuse and neglect reports and provide copies of those reports to the State Auditor General in connection with his biennial program audit of the facility.

During fieldwork, we performed on-site testing at eight of the Department's State-operated facilities regarding resident dental, mental and physical examinations. We also performed on-site testing at nine of the Department's State-operated facilities regarding the Department's requirement to maintain copies of all suspected abuse and neglect reports. Although we were unable to obtain a complete population of residents who were under the care of the John J. Madden Mental Health Center or instances of suspected abuse or neglect for the Illinois Center for Rehabilitation and Education during the examination period (see Finding 2019-013), we sampled and tested 64 residents treated for dental examinations, 69 residents prescribed medication, and 65 instances of suspected abuse or neglect across eight of the nine facilities, which resulted in the following exceptions at four of the Department's facilities:

Elgin Mental Health Center

- For 1 out of 8 (13%) residents tested, the residents did not have a dental examination performed at least once every 18 months. The dental examination was performed one month and eight days late.
- For 1 out of 9 (11%) residents tested who were prescribed medication, facility staff did not maintain a copy of the resident's initial physical examination in the resident's records.
- For 1 out of 9 (11%) residents tested who were prescribed medication, facility staff did not maintain a copy of the physician's order for the medication.

Ludeman Developmental Center

- For 9 out of 9 (100%) residents tested who were prescribed medication, facility nurses did not properly complete the Medication Administration Record (MAR) in accordance with the facility's Standard Operating Policies and Procedures #371 which requires the initials of each nurse administering medication is to be placed in the appropriate box at the time of administration. Specifically, the MAR was not signed in 31 out of 63 (49%) instances.
- For 1 out of 16 (6%) instances of suspected abuse or neglect, facility staff could not locate the report.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-017 Noncompliance with Statutory Requirements Regarding Residents' Dental, Mental, Physical Examinations, and Instances of Suspected Abuse or Neglect (Continued)

Chicago-Read Mental Health Center

- For 1 out of 8 (7%) residents tested, the resident did not have a dental examination performed at least once every 18 months. The dental examination was performed one month late.

Murray Developmental Center

- In response to a prior instance of suspected neglect, the facility indicated bus scan safety systems were installed on buses used to transport residents. For 1 out of 4 (25%) buses, the facility failed to install a bus scan safety system.

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

Department management indicated the conditions noted were due to human error and inadequate maintenance of records.

Failure to provide residents timely dental, mental, or physical examinations could adversely affect the care and treatment of the resident as well as impact the operations of the facilities. Further, it represents noncompliance with State law. Failure to complete corrective actions regarding suspected neglect could result in further neglect of residents. Failure to retain documentation supporting resident care as well as reports of suspected abuse or neglect impedes the ability to pursue corrective actions and provide suitable and necessary care to residents. (Finding Code No. 2019-017, 2017-018)

RECOMMENDATION:

We recommend the Department provide dental services to residents as required. Further we recommend the Department improve internal control over the retention of information pertaining to facility residents such as examination records, medication records and reports of suspected abuse or neglect. We also recommend the Department install the remaining bus scan safety system.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will provide dental services to residents as required where the patient consents to dental treatment. Additionally, the Department will work to improve internal controls over retaining information pertaining to facility residents. State-Operated Developmental Centers (SODC) operations will ensure Murray Center installs the scan safety system on the bus identified in the audit finding.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-018 Noncompliance with Statutory Requirements Regarding Administering Pregnancy Tests and Recording Resident’s Menstrual Cycles

The Department of Human Services (Department) did not comply with statutory requirements regarding administering pregnancy tests and recording resident’s menstrual cycles.

The Mental Health and Developmental Disabilities Administrative Act (MH Act) (20 ILCS 1705/10.1) requires every woman of child-bearing age who is admitted to a facility under the jurisdiction of the Department, with her consent or the consent of her guardian, be tested for pregnancy upon admission and thereafter as indicated. Additionally, it requires for a resident who is admitted to and remains in a facility for more than 60 days, a record of each such resident’s menstrual cycles to be maintained. In addition, the MH Act requires that on-site prenatal care shall be provided to recipients who are not verbal or who otherwise cannot communicate with a provider of care because of a severe disability.

During fieldwork, we performed on-site testing at eight of the Department’s State-operated facilities. We sampled and tested 64 residents across the eight facilities, which resulted in the following exceptions regarding resident records at four of the Department’s facilities:

Elgin Mental Health Center

- For 3 out of 8 (38%) residents tested, adequate documentation was not maintained that facility staff obtained the resident’s consent or the consent of the resident’s guardian to test for pregnancy upon admission.
- For 2 out of 8 (25%) residents tested, facility staff did not maintain the menstruation record (Form IL462-0034) in the resident’s file.

Ludeman Developmental Center

- For 1 out of 2 (50%) residents tested, facility staff did not maintain the menstruation record (Form IL462-0034) in the resident’s file.
- For 1 out of 2 (50%) residents tested, adequate documentation was not maintained that facility staff obtained the resident’s consent or the consent of the resident’s guardian to test for pregnancy upon admission.
- The facility’s policies and procedures do not address on-site prenatal care to residents who are not verbal or who otherwise cannot communicate with a provider because of severe disability.
- The facility does not perform a pregnancy test on individuals transferred in from another Department facility.
- The facility does not perform a pregnancy test on a resident unless it has been indicated by the resident or his/her guardian that the resident has been recently sexually active.

McFarland Mental Health Center

- For 1 out of 8 (13%) residents tested, adequate documentation was not maintained that facility staff obtained the resident’s consent or the consent of the resident’s guardian to test for pregnancy upon admission.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-018 Noncompliance with Statutory Requirements Regarding Administering Pregnancy Tests and Recording Resident’s Menstrual Cycles (Continued)

Murray Developmental Center

- For 2 out of 9 (22%) residents tested, a pregnancy test was administered before the guardian signed a consent form. The forms were signed 6 to 47 days after the pregnancy test was administered.
- For 1 out of 9 (11%) residents tested, facility staff were unable to provide pregnancy test results, or documentation that a test was not required.
- For 3 out of 9 (33%) residents tested, facility staff did not maintain the menstruation record (Form IL462-0034) in the resident’s file.
- For 6 out of 9 (67%) residents tested, the resident’s menstruation record (Form IL462-0034) was located in the resident’s file; however, it was not completed for all months during the resident’s stay. Specifically, for 27 out of the 83 (33%) months these six residents resided in the facility, the menstruation record was not completed.
- For 1 out of 9 (11%) residents tested, the Consent for Services form indicates the resident did not sign the form due to the resident’s legal incompetency; however, another resident’s name was referenced on the face of the form.
- The facility had inconsistent policies regarding pregnancy testing of women of child bearing age. The facility’s Women’s Health Services Standard Operating Policy and Procedure, dated June 13, 2018, indicates women of child bearing age will undergo a pregnancy test, if indicated, on the next business day following an admission. However, the facility’s Pregnant Individuals Standard Operating Policy and Procedure, dated June 4, 2008, indicates any woman of child bearing age will be tested for pregnancy upon admission and one week following admission.

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

Department management indicated the conditions noted were due to human error.

Incomplete or conflicting policies and procedures could lead to noncompliance with the Act. Failure to obtain or retain a record of a signed consent form prior to administering a pregnancy test to a resident could result in a resident receiving unauthorized medical care and/or subject the State to unnecessary legal risks. Failure to perform or retain a record of a resident’s pregnancy testing and menstrual cycle could adversely affect the care and treatment of the resident as well as impact the operations of the facilities. Further, it represents noncompliance with State law. (Finding Code No. 2019-018, 2017-019)

RECOMMENDATION:

We recommend the Department obtain and retain approval documentation for administering pregnancy tests to a resident prior to conducting the test. We also recommend the Department retain a record of all residents’ menstrual cycles and pregnancy tests administered. Further, we recommend the Department establish comprehensive Department-wide internal controls over compliance with the MH Act regarding pregnancy testing and residents’ menstrual cycles, which should include training personnel on compliance requirements and outline management oversight over compliance requirements.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-018 Noncompliance with Statutory Requirements Regarding Administering Pregnancy Tests and Recording Resident’s Menstrual Cycles (Continued)

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will obtain and retain approval documentation for administering pregnancy tests prior to conducting the test. Furthermore, the Department will work to improve the monitoring of menstrual cycles and train staff on the compliance requirements. Quality control checks to monitor compliance will be developed and implemented.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-019 Noncompliance with Statutory Requirements Regarding the Use of Seclusion

The Department of Human Services (Department) did not comply with statutory requirements regarding the use of seclusion.

We performed on-site testing regarding the use of seclusion at three of the Department's State-operated facilities that use seclusion on the resident population. We sampled and tested a total of 22 residents who were placed in seclusion, which resulted in the following exceptions at three of the Department's facilities:

Elgin Mental Health Center

- For 3 out of 11 (27%) residents tested who were placed in seclusion, the facility director was not informed in writing within 24 hours by the person who ordered seclusion. The facility director was notified of the seclusion between 25 and 28 hours after the seclusion was ordered.

McFarland Mental Health Center

- The facility does not have procedures in place for the facility director to approve, in writing, any seclusion ordered twice within 48 hours for the same patient, prior to administering the second seclusion.

John J. Madden Mental Health Center

- For 3 out of 11 (27%) residents placed in seclusion, the seclusion order did not include evidence of the facility director's review.
- For 1 out of 11 (9%) residents placed in seclusion in which a subsequent employment of seclusion occurred within 48 hours following the previous 16 hour period of seclusion, the facility did not obtain prior written authorization from the facility director.

The Mental Health and Developmental Disabilities Code (MH Code) (405 ILCS 5/2-109(b)) requires that the person who orders the seclusion shall inform the facility director or his designee in writing of the use of seclusion within 24 hours. The MH Code (405 ILCS 5/2/109(c)) requires the facility director to review all seclusion orders daily. In addition, MH Code (405 ILCS 5/2-109(d)) requires that seclusion may be employed during all or part of one 16 hour period, that period commencing with the initial application of the seclusion. However, once seclusion has been employed during one 16 hour period, it shall not be used again on the same recipient during the next 48 hours without the prior written authorization of the facility director.

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

Department management indicated the conditions noted were due to a combination of human error, staff turnover, lack of training, and insufficient documentation retention procedures.

Failure to have adequate internal control over the use of seclusion could result in noncompliance with the MH Code and could adversely affect the care and treatment of residents and could subject the State to unnecessary legal risks. Failure to retain complete and accurate records represents noncompliance with the State Records Act. (Finding Code No. 2019-019)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

**FINDING 2019-019 Noncompliance with Statutory Requirements Regarding the Use of Seclusion
(Continued)**

RECOMMENDATION:

We recommend Department management establish comprehensive Department-wide policies, procedures, and internal controls over compliance with State mandates regarding the use of seclusion that is applicable to all facilities. These policies, procedures, and internal controls should include requirements for training personnel on compliance requirements and should outline management oversight over compliance requirements.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will create policies and procedures regarding the use of seclusion, train personnel on compliance requirements and provide management oversight over compliance requirements.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-020 Internal Control Weaknesses in the Home Services Program

Internal control weaknesses were identified in the Department of Human Services' (Department) Home Services Program managed by the Department's Division of Rehabilitation Services. These weaknesses were first noted in a review of the Home Services Program that Department management had performed in FY2005.

The Home Services Program allows individuals with disabilities (customers) who are at risk of placement in a nursing home to remain in their homes. According to the Department, this is accomplished through the use of a variety of services, the most prevalent of which is the use of individual caregivers known as Personal Assistants. During FY 2019 and FY 2018, the Home Services Program maintained 46 field offices and, over the course of FY 2019 and FY 2018, on behalf of the customers, paid 42,981 Personal Assistants \$530,409,830 and 41,153 Personal Assistants \$462,897,953, respectively. There was an approximate 8% increase in the number of personal assistants since FY 2017 (39,713). Personal Assistants are hired, supervised, and fired by the customer. Therefore, the Home Services Program relies on the customer under an "honor system" to guard against abuse and to ensure compliance. The customer is responsible for approving and signing their Personal Assistant's timesheets.

Through testing and discussions with Home Services Program personnel, we noted the following:

- There was insufficient monitoring of case files to ensure program objectives were being met. There was an average of 31 supervisors at 46 field offices to monitor Home Services Program activities. On average, each supervisor was responsible for approximately 1,055 case files during FY 2019. During the previous examination period, the statewide average responsibility per supervisor was approximately 792 case files. There was an average of 125 counselors during FY 2019 and 137 counselors during FY 2018. There was an average of 262 case files per counselor during FY 2019 and 213 during FY 2018. For FY2017, the statewide average per counselor was approximately 217 case files.
- A required increase in hourly wage paid by the Department to Home Services Program personal assistants and individual maintenance home health workers was to be effective by August 5, 2017 but was not implemented until April 1, 2019, or 604 days late. For the compliance period ending June 30, 2019, the Department paid back wages in the amount of \$28.6 million.
- The Department did not provide documentation of interagency agreements between the Department and the Department on Aging regarding the intake procedures and eligibility criteria for persons who may need long term care.
- The Department could not document that it sufficiently monitored third party providers who perform prescreening for Home Services Program eligibility on the Department's behalf, in order to determine if the processes are being reasonably performed in accordance with Department policy.

The Rehabilitation of Persons with Disabilities Act (20 ILCS 2405/3) establishes the Department's powers and duties for the Home Services Program. The Illinois Administrative Code (Code) (89 Ill. Admin. Code 682.410) establishes the redetermination time frames for customers served under standard Medicaid waivers. In addition, the Code (89 Ill. Admin. Code 682.410(a)) requires the redetermination to be performed at least every 12 months or whenever there is a change in condition or situation that may affect ongoing eligibility.

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DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-020 Internal Control Weaknesses in the Home Services Program (Continued)

The Rehabilitation of Persons with Disabilities Act (Act) (20 ILCS 2405/3(f)) requires that within 30 days after July 6, 2017 (the effective date of Public Act 100-23), the hourly wage paid to personal assistants and individual maintenance home health workers shall be increased by \$0.48 per hour. Further, the Act requires the Department to execute, relative to nursing home pre-screening, as authorized by Section 4.03 of the Illinois Act on the Aging, written inter-agency agreements with the Department on Aging and the Department of Healthcare and Family Services, to effect the intake procedures and eligibility criteria for those persons who may need long term care. Also, all nursing home pre-screenings for individuals 18 through 59 years of age shall be conducted by the Department, or a designee of the Department.

Department management indicated that staffing levels and the overall scale of the program contributed to the issues identified. Department management also indicated litigation over personal assistants' bargaining unit agreement delayed the required wage increase.

Lack of adequate monitoring of the Home Services Program, including eligibility pre-screening, combined with the size and decentralization of the program greatly increases the chance of fraud and abuse within this program. Failure to execute interagency agreements with the Department on Aging regarding the intake procedures and eligibility criteria for persons who may need long-term care, and failure to increase workers' wages by the effective date, is noncompliance with State law. (Finding Code No. 2019-020, 2017-022, 2015-012, 2013-010, 11-12, 09-15, 07-7, 05-4)

RECOMMENDATION:

We recommend Department management and staff strengthen internal controls and compliance over the Home Services Program as follows:

- Increase monitoring by assigning additional staff resources or by enacting alternative means for monitoring program activities, including third party designees.
- Annually obtain and assess a SOC 1 Type 2 report for functions performed by the pre-screening service provider, or perform a review of the service provider using Department staff who have the requisite expertise.
- Establish an interagency agreement with the Department on Aging.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will continue to review staffing levels to ensure levels are appropriate for workloads in the Home Services Program. Furthermore, the Department will establish an Intergovernmental Agreement with the Department on Aging and work to increase reviews of pre-screening service providers.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-021 Noncompliance with Employment Requirements at the Illinois Center for Rehabilitation - Roosevelt

The Department of Human Services (Department), specifically the Illinois Center for Rehabilitation – Roosevelt, did not comply with statutory requirements requiring investigating job applicants to determine if they have been determined to be a perpetrator in an indicated report of child abuse or neglect.

We tested a sample of 57 current employees employed at the Illinois Center for Rehabilitation - Roosevelt and noted the following:

- For 2 out of 57 (4%) employees tested, the facility could not provide a Child Abuse and Neglect Tracking System (CANTS) Authorization Form.
- For 6 out of 57 (11%) employees tested, the facility could not provide a CANTS Authorization Form dated prior to the employees' start date. After being notified of our exceptions, the facility investigated the six employees and were able to demonstrate that none of the six employees was on the Department of Children and Family Services' (DCFS) Central Register.
- The facility does not encrypt the CANTS Authorization Forms when they are emailed to DCFS.

The Rehabilitation of Persons with Disabilities Act (the Act) (20 ILCS 2405/17(a)) requires all applicants for employment at the facility, as a condition of employment, to authorize in writing on a form prescribed by the DCFS, an investigation of the Central Register, as defined in the Abused and Neglected Child Reporting Act, to ascertain if the applicant has been determined to be a perpetrator in an indicated report of child abuse or neglect. DCFS has prescribed the CANTS Authorization Form for this purpose.

Further, the Act (20 ILCS 2405/17(b)) requires the information concerning a prospective employee obtained by the Department, including the information contained on the CANTS Authorization Form, to be considered confidential and exempt from public inspection and copying. The Department's Administrative Directive (01.03.01.060) states that confidential information should not be included in e-mail communications when the information is being transmitted over the Internet, unless transmittal of the data is encrypted with software approved by the Department.

Department management indicated the conditions noted were due to human error.

Failure to investigate potential employees prior to employment at ICRE is noncompliance with the Act and could adversely affect the safety of students and could subject the State to unnecessary legal risks. Failure to retain complete and accurate records represents noncompliance with the State Records Act. (Finding Code No. 2019-021)

RECOMMENDATION:

We recommend Department management strengthen internal control over the investigation of all job applicants. Additionally, the Department should retrain employees on Department directives pertaining to safeguarding confidential information.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-021 Noncompliance with Employment Requirements at the Illinois Center for Rehabilitation - Roosevelt (Continued)

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will ensure all current and future employees, as a condition of employment, are vetted through DCFS as defined in the Abused and Neglected Child Reporting Act. Additionally, the Department will ensure the CANTS form is submitted and cleared prior to date of employment. The Department will also work to ensure employees are properly trained regarding the safeguarding of confidential information.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-022 Inadequate Execution of Interagency Agreements

The Department of Human Services (Department) failed to adequately execute interagency agreements.

During the examination period, we noted the following:

- During testing of interagency agreements between the Department and various other State agencies, 4 out of 22 (18%) interagency agreements tested were not signed before the effective date. These agreements were signed between 60 and 492 days after the effective date.

Good internal controls require the approval of agreements prior to the effective date. The Statewide Accounting Management System (SAMS) Manual (Procedure 15.20.30) indicates a contract is reduced to writing when the contract is signed by the vendor and then by more than one authorized agency representative at the earliest dated signature.

Department management indicated the agreements were signed late for various reasons including one agreement was new and took longer than expected to complete, and requests for language changes were made late in the approval process.

- The Department did not enter into intergovernmental agreements (IGAs) with all sheriff offices, in order to collect incarceration data to determine if those individuals were still eligible for benefits administered by the Department.

The Illinois Public Aid Code (Code) (305 ILCS 5/12-4.7b) requires the Department to enter into intergovernmental agreements to conduct monthly exchanges of information with the Illinois Department of Corrections, the Cook County Department of Corrections, and the office of the sheriff of every other county to determine whether any individual included in an assistance unit receiving public aid under the Code is an inmate in a facility operated by the Illinois Department of Corrections, the Cook County Department of Corrections, or a county sheriff.

Department management indicated coordination with other governmental agencies initially caused the delays. Additionally, due to a change in the law, the Department is in the process of entering into new IGAs with all sheriff offices.

- The Department did not have an interagency agreement with the State Board of Elections (SBOE), to provide the information necessary to transmit member data under the Electronic Registration Information Center (ERIC) Membership Agreement. A Data Sharing Agreement with the SBOE was signed by the Department on July 29, 2019, which was after the examination period and is 28 days late with the requirement in ERIC section 1A-16.2 of the Election Code.

The Election Code (10 ILCS 5/1A-45(b-5)), requires the State Board of Elections and the Department of Human Services, the Department of Healthcare and Family Services, the Department of Aging, and the Department of Employment Security to enter into an agreement to require each department to provide the State Board of Elections with any information necessary to transmit member data under the ERIC Membership Agreement. The Secretary of the Department is required to deliver this information on an annual basis to the State Board of Elections pursuant to the agreement between the entities. Section 1A-45 has an effective date of June 1, 2015, however Section 1A-16.2 refers to the interagency contract and indicates that section shall be implemented no later than July 1, 2019.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-022 Inadequate Execution of Interagency Agreements (Continued)

Department management indicated the delay was partially due to the necessary coordination of both internal and external partners including two Department divisions, the Department of Innovation and Technology (DoIT), the Integrated Eligibility System (IES) development vendor, and SBOE. Furthermore, the Department had to coordinate with the IES development vendor on implementation of the voter registration as it affected the IES. The competing priorities of updating IES and concern for timely processing of benefits also contributed to the delay.

The Department enters into multiple agreements with other State agencies and other units of government. The purpose of the agreements is to assist the Department in fulfilling its mandated mission. In order to assess whether the agreement is reasonable, appropriate, and sufficiently documents the responsibilities of the appropriate parties, the agreement needs to be approved prior to the effective date. Additionally, failure to execute final agreements that are mandated by law is noncompliance with the applicable law and noncompliance could negatively impact those affected by the law. (Finding Code No. 2019-022, 2017-021, 2015-009)

RECOMMENDATION:

We recommend Department management execute all interagency agreements as required by law. In addition, all parties to the IGAs should sign the agreement prior to the effective date. Further, Department management should enter into interagency agreements with the applicable State agencies and the sheriffs' offices of every Illinois County which do not have signed agreements.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will remind office and unit leadership of the importance of executing agreements prior to their effective date. In January 2020, the Division of Family and Community Services (DFCS) staff sent communication to all Illinois sheriffs, indicating the new statute modification that requires them to submit their monthly jail rosters to the Department. DFCS staff are currently working with the Illinois Department of Innovation and Technology staff and the Illinois Department of Human Services Office of General Counsel staff in setting up a transmission process for all sheriff's offices to submit the required monthly jail rosters, and data sharing agreements for all sheriffs.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-023 Inadequate Administration of Locally Held Funds, Petty Cash, and Postage

The Department of Human Services (Department) inadequately administered locally held funds (bank accounts), petty cash, and postage during the examination period. Exceptions were noted regarding the administration, accounting, reconciliation, reporting, receipt and disbursement of these funds.

During fieldwork, we tested quarterly reporting of receipts and disbursements of locally held funds at five of the Department's State-operated facilities. We sampled and tested a total of 120 Other Special Trust Fund (Fund 1139) transactions, 157 Resident Trust Fund (Fund 1143) transactions, 120 Rehabilitation Fund (Fund 1144) transactions, 104 Special Revenue Trust Fund (Fund 1149) transactions, 18 Permanent Fund (Fund 1150) transactions, and 40 Burr Bequest Fund (Fund 1272) transactions. We also performed on-site testing of the Department's petty cash funds and postage meters at four of the Department's State-operated facilities. We selected 101 petty cash transactions and tested the postage meter balances for the years-ended FY 2018 and FY 2019 across the four facilities. Based on the locally held fund, petty cash, and postage procedures, we noted the following exceptions at five of the Department's facilities:

Elgin Mental Health Center

Locally Held Funds

- During testing of the locally held funds' receipts and disbursements, we noted the following:
 - For 3 out of 30 (10%) Other Special Trust Fund disbursements tested, totaling \$447, the facility was not able to provide supporting documentation for the payment.
 - For 1 out of 20 (5%) Residents' Trust Fund receipts tested, totaling \$600, the deposit slip was not signed by the receiver.
 - For 4 out of 20 (20%) Residents' Trust Fund disbursements tested, totaling \$6,985, the disbursements were not properly approved.
- The Rehabilitation Fund's Report of Receipts and Disbursements (C-17) for December 31, 2017 did not reconcile to the general ledger. As a result, the C-17's receipts were understated by \$7,774 and disbursements were understated by \$50.
- According to the sequential numbering system used, the Other Special Trust Fund did not record one receipt from the second quarter of FY 2018 in its general ledger or C-17. The amount of the receipt is unknown.
- The facility did not maintain adequate segregation of duties for receipt and disbursement processing. For the Other Special Trust and Rehabilitation Funds, two Trust Fund office employees each have the authority to receive money, record it, and prepare the bank deposit slip. Additionally, for the Resident's Trust Fund, one of the two facility employees noted above also has the authority to prepare the bank deposit slip.

Postage

- Year-end postage meter balances appear to be in excess of reasonably expected usage. During FY 2018 and FY 2019, the facility maintained an on-hand postage meter balance of 34 and 13 months of supply, respectively.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

**FINDING 2019-023 Inadequate Administration of Locally Held Funds, Petty Cash, and Postage
(Continued)**

Ann M. Kiley Developmental Center

Locally Held Funds

- During testing of locally held funds, we noted for 1 out of 30 (3%) Rehabilitation Trust Fund disbursements tested, totaling \$400, the facility was not able to provide supporting documentation for the payment.

Petty Cash

- During testing of petty cash funds receipts and disbursements, we noted the following:
 - For 1 out of 15 (7%) disbursements tested, totaling \$12, the supporting documentation did not include the Petty Cash Disbursement Form.
 - For 1 out of 15 (7%) disbursements tested, totaling \$56, the supporting documentation did not include the petty cash cashier/custodian signature on the Petty Cash Disbursements Form.
 - For 2 out of 15 (13%) receipts tested, totaling \$147, receipts did not include the signature of the custodian as receiving officer plus, at a minimum, one additional authorizing signature on the invoice/voucher (C-13).
- The Petty Cash Internal Control Certifications (C-86s) were not properly completed. The C-86s for FY 2018 and FY 2019 were prepared and signed by the facility's petty cash fund custodian. The certification should be prepared by someone other than the custodian.

Elisabeth Ludeman Developmental Center

Locally Held Funds

- During testing of the locally held funds' receipts and disbursements, we noted the following:
 - For 1 out of 20 (5%) Resident Trust Fund disbursements tested, totaling \$10, the disbursement amount did not trace to either a corresponding bank statement or payment supporting documentation. Specifically, we noted facility staff made a \$786 withdrawal from the Residential Trust fund bank account in order to reimburse the residential petty cash fund for a batch of expenditures made by facility staff on behalf of various residents. After requesting supporting documentation of which other residential subaccounts in the general ledger were allocated the other \$776 in expenditures, we noted the facility was unable to identify them in its general ledger. As a result, we are unable to determine if the facility's general ledger is understated by \$776. In addition, when tracing out the \$10 allocation to the only identifiable residential subaccount within the general ledger to payment supporting documentation, we noted the facility could not provide supporting documentation linking the \$10 allocation to the individual resident. The facility was only able to provide supporting documentation for a housing unit charge of \$60 for which the one resident was a part of.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

**FINDING 2019-023 Inadequate Administration of Locally Held Funds, Petty Cash, and Postage
(Continued)**

- For 1 out of 20 (5%) Resident Trust Fund disbursements tested, totaling \$292, the check dated December 13, 2018, was still outstanding on the June 30, 2019 bank reconciliation. This is 49 days beyond the Department's policy to cancel checks after they are outstanding for 90 days. Additionally, the disbursement was not recorded in the facility's general ledger.
- For 4 out of 15 (27%) Resident Trust Fund interest receipts tested, totaling \$134, the interest receipts were not entered into the facility's general ledger.
- For 9 out of 15 (60%) Resident Trust Fund interest receipts tested, totaling \$297, the interest receipts were not timely recorded in the facility's general ledger for the regular bank account and the sweep account. These receipts were recorded 3 to 111 days late. The untimely recording of interest resulted in inaccurate allocations to individual client accounts.
- For 8 out of 8 (100%) Other Special Trust Fund C-17s tested, disbursements did not reconcile to the general ledger. The C-17's were understated compared to the general ledger by \$8,481 and \$8,149 for FY 2018 and FY 2019, respectively.
- Cash reported in the June 30, 2018 and June 30, 2019 Other Special Trust Fund general ledger did not reconcile to the corresponding bank reconciliation. The general ledger was understated compared to the bank reconciliation by \$2,975 and \$4,200 as of June 30, 2018 and June 30, 2019, respectively.
- Cash reported in the June 30, 2019 general ledger for the Resident Trust Fund did not agree to the June 30, 2019 bank reconciliation. The general ledger was understated compared to the bank reconciliation by \$2,983.
- The June 30, 2019 general ledger for the Resident Trust Fund did not reconcile to the June 30, 2019 C-17. Of the adjustments made to the general ledger, the facility staff was not able to provide supporting documentation for \$2,077. Additionally, facility staff made adjustments to the C-17 to remove receipts received in the current year that pertained to the prior fiscal year. The C-17 is required to be reported on a cash basis and therefore, include all receipts received in the current year.
- The facility is using a bank account for the Resident Trust Fund, which charges bank fees. These fees in the amount of \$15,163 were not recorded in the general ledger. Additionally, using a bank which charges fees, is a breach of the facility's fiduciary duty in overseeing clients' money. Bank fees reduce the bank balance, which reduces the interest earned on the account, and interest each client is earning.

Petty Cash

- The facility does not keep a cash receipts and disbursements journal for its petty cash box. As a result, we were unable to reconcile and determine the accuracy of the cash box.
- For 1 out of 15 (7%) petty cash disbursements tested, totaling \$93, the facility did not retain a vendor's invoice or receipt for the expenditure showing the date, amount, and description of purchase, nor did the facility produce and complete a "petty cash voucher" citing the date, amount, and description of the purchase.
- For 1 out of 15 (7%) petty cash disbursements tested, totaling \$65, the facility paid sales tax in the amount of \$4 for a commodity purchase.
- For 2 out of 15 (13%) petty cash disbursements tested, totaling \$86, no notation of payment was made on the face of the petty cash voucher or vendor's invoice after payment was complete.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

**FINDING 2019-023 Inadequate Administration of Locally Held Funds, Petty Cash, and Postage
(Continued)**

- For 1 out of 15 (7%) petty cash disbursements tested, totaling \$98, the support for the disbursement amount does not agree to the amount in the facility's general ledger.
- For 1 out of 15 (7%) petty cash reimbursements tested, totaling \$141, the facility was unable to provide support for the reimbursement.
- For 3 out of 12 (25%) petty cash reimbursements from the Illinois Office of the Comptroller, totaling \$635, the facility did not provide adequate support demonstrating that someone other than the custodian approved the reimbursement.
- The facility did not seek reimbursements timely as follows:
 - The facility's petty cash bank account was overdrawn, demonstrating a lack of proper internal controls over the account.
 - The petty cash fund's turnover rates shown on its Petty Cash Usage Reports (C-18s) were less than six for calendar year 2017 and 2018, 0.87 and 1.56, respectively. As a result, the facility should have decreased its fund amount, however, the facility instead increased the fund from \$600 to \$1,000.
- The facility did not timely submit 2 out of 2 (100%) C-18's with the Comptroller's Office. The reports were filed between 1 and 5 days late.

Shapiro Developmental Center

Locally Held Funds

- For 3 out of 30 (10%) Other Special Trust Fund receipts tested, totaling \$2,523, amounts were not deposited timely. The deposits ranged from 1 to 17 business days late.

Illinois Center for Rehabilitation and Education

Locally Held Funds

- During testing of locally held funds, monies were withdrawn from the Vocational Training Fund (a subaccount of Fund 1149). The monies were subsequently deposited into the Amusement Fund (another subaccount of Fund 1149) instead of purchasing vocational supplies.

Petty Cash

- The facility does not keep a cash receipts and disbursements journal for its petty cash box. As a result, we were unable to reconcile and determine the accuracy of the cash box.
- The facility was unable to provide a FY 2018 general ledger for its petty cash fund.
- The facility was unable to provide adequate documentation for a line item labeled "Safe Cash in Bank" on its fund reconciliations. The monthly reconciliations for FY 2018 had "Safe Cash in Bank" reconciling items ranging from \$(66) to \$96.
- For 2 out of 15 (13%) vouchers tested totaling \$55, the facility did not maintain adequate support. As a result, we could not determine if sales tax was paid.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

**FINDING 2019-023 Inadequate Administration of Locally Held Funds, Petty Cash, and Postage
(Continued)**

- The facility did not timely submit its Fiscal Year 2018 Petty Cash Usage Report (Form C-18) with the Comptroller's Office. The report was submitted 1 day late.
- The petty cash fund's turnover rates shown on its Petty Cash Usage Reports (C-18) were less than six for Calendar Year 2017 and 2018, 0 and 0.538, respectively. As a result, the facility should have decreased its fund amount.

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

The Department of Human Services' Program Directive (02.08.01.010) states that the Business Administrator is responsible for ensuring that adequate accounting controls exist over all locally held funds. This includes responsibility for: a) establishing and maintaining adequate and effective controls over cash; c) posting transactions onto the Locally Held Fund System timely and accurately to the proper accounts; d) reconciling bank accounts for locally held funds; f) ensuring that disbursements are properly authorized; h) providing Central Office with all information necessary to meet the Department's reporting requirements for locally held funds.

According to the Department's Administrative Directive (Directive) (01.09.01.020), expenditures from the petty cash fund must not include payments for sales tax. An employee may not be reimbursed for payment of sales tax as the Department is exempt from payment of sales tax. The Directive requires the petty cash fund to be formally balanced and reconciled at least once a month by someone other than the custodian. Finally, the Directive requires the certification to be prepared and signed by someone other than the petty cash fund custodian.

The Statewide Accounting Management System (SAMS) (Procedure 33.13.20) states the C-17 is used to report locally held fund activity. This form, which reflects fiscal year-to-date receipts and disbursements per the Department's records, contains accounts almost identical to the accounts used in processing receipt and disbursements for Treasurer-held funds.

The Mental Health and Developmental Disabilities Administrative Act (20 ILCS 1705/22) requires the facilities to keep an itemized account of all receipts and expenditures of funds.

According to the Public Funds Deposit Act (30 ILCS 225/1), where public funds are defined in the Public Funds Investment Act (30 ILCS 235/1) as current operating funds, special funds, interest and sinking funds, and funds of any kind or character belonging to or in the custody of any public agency, any custodian of public funds may deposit such funds in a savings and loan association, savings bank, or State or national bank in this State, or deposit those funds into demand deposit accounts in accordance with Section 6.5 of the Public Funds Investment Act. Further, when such deposits become collected funds and are not needed for immediate disbursement, they shall be invested within 2 working days at prevailing rates or better.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

**FINDING 2019-023 Inadequate Administration of Locally Held Funds, Petty Cash, and Postage
(Continued)**

The Illinois Procurement Code (30 ILCS 500/50-55) requires the facility to inventory or stock no more than a 12-month need of equipment, supplies, commodities, articles, and other items, except as otherwise authorized by the facility's regulations.

Lastly, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law and that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Department management indicated the conditions noted were due to human error, lack of training and inadequate staffing.

It is important to properly administer locally held funds as they are not subject to appropriations, and are often in a fiduciary capacity, and are held outside the State Treasury. In addition, failure to adequately administer locally held funds could lead to fraud, theft, or overdraft charges. Maintaining excess balances on postage meters is an inefficient use of limited resources. Inadequate administration of petty cash, locally held funds, and postage meters represents noncompliance with State statutes. Inadequate controls over the locally held and petty cash funds results in noncompliance with the Department's Administrative Directives, SAMS procedures, and other requirements and could also result in errors or irregularities not being detected in the normal course of business. (Finding Code No. 2019-023, 2017-024, 2015-027, 2013-016, 11-23, 09-26)

RECOMMENDATION:

We recommend Department management and staff comply with current laws, regulations, and policies and procedures regarding locally held funds, petty cash, and postage. We also recommend management segregate duties over the receipt, recording, and deposit of cash at the Elgin Mental Health Center.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will work to comply with all current laws, regulations, and policies/procedures regarding locally held funds, petty cash, and postage. The Elgin Mental Health Center has implemented procedures to ensure duties are properly segregated. State-Operated Developmental Centers (SODC) operations will provide oversight to ensure compliance.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-024 Inadequate Controls Over Personal Services

The Department of Human Services (Department) did not maintain all necessary and required supporting documentation in employee payroll and personnel files. Also, the Department failed to timely administer employee performance evaluations and inaccurately calculated fringe benefits of employees. Finally, the Department did not maintain time records in compliance with the State Officials and Employees Ethics Act.

Employee File Testing

During testing of employee payroll and personnel files at the Central Office, we noted the following:

- For 6 out of 60 (10%) employee files tested, the daily staff attendance reports were not signed by the employee's supervisor.
- For 5 out of 16 (31%) tested employees that had overtime paid during the period, approval support was not provided.
- We tested 60 employees noting some employees were not required to have a performance evaluation due to being a new hire or terminated during the period. For FY 2019, 10 out of 46 (22%) required employee evaluations were not completed timely, ranging from 2 to 309 days late. For FY 2018, 14 out of 45 (31%) required employee evaluations were not completed timely, ranging from 16 to 628 days late.

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/5-5(c)) requires employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour. The Act further requires timesheets be maintained by the fiscal office for at least two years.

Additionally, the Department's Administrative Directive (01.02.02.170) requires a report, which documents that employee time was spent on official State business, and which should be reviewed and signed by the employee, timekeeper, and supervisor within 10 working days.

Personnel rules issued by the Department of Central Management Services (80 Ill. Admin. Code 302.270) requires an evaluation of employee performance be prepared by the Department not less often than annually. Annual evaluations support administrative personnel decisions by documenting regular performance measures.

Fringe Benefit Testing

During testing of fringe benefits for employees with personally-assigned vehicles, we noted the following exception:

- For 2 out of 6 (33%) employees tested, the reported personal use of an assigned vehicle indicated a larger benefit than the amount deducted on the employee's paycheck, totaling \$534.

The Department's Administrative Directive (01.05.05.070) requires that employees operating a personally-assigned, State-owned vehicle are required to report each quarter the number of days the State vehicle was used for commuting purposes and are to be charged a fringe benefit in the amount of \$3.00 per day of use.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-024 Inadequate Controls Over Personal Services (Continued)

Employee Time Records Testing

During fieldwork, we performed on-site testing over employee timesheet records at four of the Department's State-operated facilities. Our testing resulted in the following exceptions with employee Monthly Attendance Records (MARs) and Staff Requests for Time Off (IL444-4140) at four of the Department's facilities:

Elgin Mental Health Center

- For 2 out of 84 (2%) MARs tested, the MARs did not contain all required signatures and/or dates from the employee, supervisor, and/or timekeeper.
- For 2 out of 84 (2%) MARs tested, we could not determine that the MARs were signed by the timekeeper within 10 working days of receipt by the employee.
- For 39 out of 84 (46%) MARs tested, the facility could not provide the completed Staff Request for Time Off (IL444-4140) for employee absences.

Ann M. Kiley Developmental Center

- For 1 out of 90 (1%) MARs tested, the MAR was signed and dated prior to the month's end.
- For 4 out of 90 (4%) MARs tested, the MARs were signed by the timekeeper between 1 and 21 days late.
- For 3 out of 90 (3%) MARs tested, the MARs were not signed by the employee or the supervisor.
- For 1 out of 90 (1%) MARs tested, the MAR was not completed timely by the employee, supervisor, and timekeeper. The MAR for January 2018 was not signed until March 7, 2018.

Ludeman Developmental Center

- For 3 out of 90 (3%) MARs tested, the employees did not have a MAR located within their personnel file for the tested month.
- For 8 out of 81 (10%) MARs tested, the MARs did not contain all required signatures from the employees, supervisors, and/or timekeepers.
- For 14 of 81 (17%) MARs tested, the MARs did not include the date(s) reviewed by the employees, supervisors, and/or timekeepers. As a result, we were unable to verify whether or not the MARs were reviewed within 10 working days.
- The facility maintains official timekeeping information by month instead of within an employee's official timekeeping file as required.
- While reviewing Staff Requests for Time Off (IL444-4140), we noted the following:
 - For 5 out of 180 (3%) days tested, the Daily Staff Attendance Reports (IL444-4141) were not retrievable.
 - For 94 out of 180 (52%) days tested, Staff Requests for Time Off (IL444-4140), Work Away Records (IL444-4604) if applicable, and Daily Staff Attendance Reports (IL444-4141) were not retrievable.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-024 Inadequate Controls Over Personal Services (Continued)

- For 4 out of 180 (2%) days tested, Staff Requests for Time Off (IL444-4140) were not properly completed.
- For 1 out of 180 (1%) days tested, the Daily Staff Attendance Report (IL444-4141) was not properly completed by the timekeeper.
- For 5 out of 180 (3%) days tested, Staff Requests for Time Off (IL444-4140) were not properly approved by the supervisors.
- For 42 out of 180 (23%) days tested, the MARs did not agree to the Daily Staff Attendance Reports (IL444-4141).
- For 20 out of 180 (11%) days tested, the Staff Request for Time Off (IL444-4140) or the Work Away Records (IL444-4604) did not agree to the Daily Staff Attendance Reports (IL444-4141).

Illinois Center for Rehabilitation and Education

- For 1 out of 72 (1%) MARs tested, the MAR did not contain the required signature from the supervisor.
- For 1 out of 72 (1%) MARs tested, the MAR did not include the date reviewed by the supervisor.
- The facility maintains official timekeeping information by month and pay-code instead of within an employee's official timekeeping file as required.
- While testing Staff Requests for Time Off (IL444-4140) we noted the following:
 - For 15 out of 180 (8%) days tested, the Staff Requests for Time Off (IL444-410), Work Away Records (IL444-4604), or Daily Staff Attendance Reports (IL444-4141) were not properly approved by the supervisors and/or timekeepers.
 - For 22 out of 180 (12%) days tested, the Staff Requests for Time Off (IL444-4140), Work Away Records (IL444-4604), Daily Staff Attendance Reports (IL444-4141), or other support was not retrievable.
 - For 33 out of 180 (18%) days tested, the MARs did not agree to the Daily Staff Attendance Reports (IL444-4141), and the Staff Requests for Time Off (IL444-4140) or the Work Away Records (IL444-4604) did not agree to the Daily Staff Attendance Reports (IL444-4141).
 - For 11 out of 180 (6%) days tested, the Staff Requests for Time Off (IL444-4140) and/or Daily Staff Attendance Reports (IL444-4141) were not properly completed.
- While testing support for employee absences during our site observation, we noted the following:
 - For 2 out of 8 (25%) Staff Requests for Time Off (IL444-4140) tested, the forms were not properly completed.
 - For 1 out of 8 (13%) Staff Requests for Time Off (IL444-4140) tested, the form was not approved by the supervisor.

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/5-5(c)) includes guidance that the Department's personnel policies should require its employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour. The Act further requires timesheets to be maintained by the fiscal office for at least two years.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-024 Inadequate Controls Over Personal Services (Continued)

Additionally, the Department's Administrative Directive (Directive) (01.02.02.170) requires a report which documents that employee time was spent on official State business to be reviewed and signed by the employee, timekeeper, and supervisor within 10 working days. The Directive requires Department personnel to ensure the signed MARs are maintained in the employee's official timekeeping file. The Directive also states that employees are responsible for submitting the Staff Request for Time Off form (IL444-4140) to request time off. Supervisors are responsible for appointing a timekeeper to keep accurate and timely attendance records for each employee within the assigned area. Both the employee and the appointed timekeeper are responsible for maintaining accurate records of the employee's use of time. Additionally, supervisors are responsible for ensuring that time and attendance records are retained for a 3-year period on-site and 2 years archived off-site for a total of 5 years.

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

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the facility to establish and maintain a system, or systems, of internal fiscal and administrative controls which shall provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law.

Department management indicated the conditions noted were due to human error.

Annual performance evaluations are important to ensure all employees understand the duties and responsibilities assigned to them and that they are adequately performing the duties for which they are being compensated. Without performance evaluations there is no documented basis for promotion, demotion, discharge, layoff, recall, or reinstatement and current employment status. Further, failure to properly calculate fringe benefits subjects the State to unnecessary legal risks. Finally, by not maintaining appropriate time records, the Department is not in compliance with the Act and its Directive which could result in improper payments to employees. (Finding Code No. 2019-024, 2017-036)

RECOMMENDATION:

We recommend Department management and staff comply with current processes and procedures regarding employee evaluations and properly calculate employee pay deductions. Further, we recommend Department management provide additional training to supervisors pertaining to its Administrative Directive and the Act and hold staff accountable for maintaining appropriate time records.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will work to ensure compliance with current processes and procedures regarding employee evaluations, calculations of employee pay deductions and maintaining appropriate time records. Furthermore, the Department will ensure staff are properly trained regarding time and attendance requirements.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-025 Lack of Physical Control Over State Property

The Department of Human Services (Department) did not have adequate control over State property inventories and recordkeeping.

As of June 30, 2019, the Department valued its State property at \$301.3 million.

During testing of property and equipment at the Central Office and the Department's State-operated facilities, we noted population limitations related to obsolete and unused property which hindered our ability to conclude whether the sample selected was representative of the population as a whole. (See Finding 2019-013)

Even given the limitations, we obtained the populations provided by the facilities, selected a sample, and tested for compliance. We noted the following:

Central Office and Central Office Site Locations:

During fieldwork, we performed on-site testing of property and equipment at 5 of the Department's Central Office Site locations. We tested a sample of 40 equipment items, 20 selected from property records, and 20 selected from physical observation. Our testing resulted in the following exceptions at 2 of the Department's Central Office locations:

- For 1 out of 5 (20%) equipment items tested from the inventory listing at Macon County Family Community Resource Center (FCRC) totaling \$1,950, the item could not be located.
- For 4 out of 6 (67%) equipment items tested from the inventory listing at Cook County-Woodlawn FCRC totaling \$3,590, the items could not be located.
- While testing lease and installment purchase agreements, we noted the Department did not provide complete information within the Accounting for Leases – Lessee Forms (SCO-560). Three out of 3 (100%) SCO-560 forms tested, totaling \$475,761, did not include the required information for leases. All forms were missing net lease information. One form was missing the estimated total economic life and the estimated remaining economic life.

During fieldwork, we performed on-site property and equipment testing at four of the Department's State-operated facilities. We tested a sample of 197 inventory items across the four facilities. Our testing resulted in the following exceptions at the four facilities:

Elgin Mental Health Center

- For 4 out of 15 (27%) equipment items tested from the inventory listing, totaling \$1,299, the items could not be located at the facility.
- For 2 out of 15 (13%) equipment items tested from the inventory listing, totaling \$2,172, the items were not located in the areas indicated on the inventory listing.
- For 4 out of 15 (27%) equipment items tested from the facility floor, the items were not included in the inventory listing and we were unable to determine the cost of the items.
- For 5 out of 25 (20%) surplus (unused) equipment items tested, totaling \$10,091, the items could not be traced from the facility floor to the property listing. Additionally, 13 out of the 25 (52%) surplus items were tagged as federal property and did not appear on the inventory listing.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-025 Lack of Physical Control Over State Property (Continued)

Ann M. Kiley Developmental Center

- For 2 out of 30 (7%) items tested, totaling \$599, the items were found in locations that did not match the locations listed on the inventory listing.
- For 2 out of 30 (7%) items tested and physically observed at the facility, the items could not be located on the facility's property listing and we were unable to determine the cost of the items.
- During a walkthrough of the facility, we noted donated items at the facility were not tagged and were not recorded in the inventory listing at acquisition value at the time of the donation.

Ludeman Developmental Center

- For 4 out of 15 (27%) equipment items tested from the inventory listings, totaling \$2,256, the item could not be located at the facility.
- During a walkthrough of the facility, we noted the grounds were not properly maintained. We observed several instances of property deterioration while touring facility grounds, including sidewalks that were cracked and roads with potholes.
- For 19 out of 32 (59%) large equipment transactions tested, the items were recorded at incorrect dollar amounts, causing an overstatement of \$122,086 on the inventory listing.

Illinois Center for Rehabilitation and Education

- During a walkthrough of the facility, we noted the grounds were not properly maintained. We observed several instances of property deterioration while touring facility grounds, including a deteriorated pool previously used for student rehabilitation.

The State Property Control Act (30 ILCS 605/4) requires every responsible officer of State government to be accountable for the supervision, control, and inventory of all items under their jurisdiction.

The Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires agencies to maintain detailed records of all property which includes the correct descriptions of the asset and correct information of its location. Additionally, agencies are required to identify assets that are obsolete, damaged, or no longer used in operations and, if necessary, remove them from asset records. The asset records should be reconciled with the results of inventory and updated accordingly.

The SAMS (Procedure 27.20.60) requires agencies to prepare Accounting for Leases – Lessee Forms (SCO-560) with detailed information about each lease.

The SAMS (Procedure 29.10.30) requires land, building, equipment and/or State property received as a gift or donation to be recorded in the agency's records at their fair market value at the time of donation.

The Department's Administrative Directive (01.05.06.010) states that equipment may not be disposed of without proper documentation and signed authorization. Additionally, equipment shall be disposed of if the non-EDP equipment is no longer useful to the Department, and is not marketable.

**STATE OF ILLINOIS
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-025 Lack of Physical Control Over State Property (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies establish and maintain a system of internal fiscal and administrative controls which provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation.

Department management indicated there was a breakdown in the procedure for documenting the movement of equipment in or out of the location that resulted in items not being accurately reflected on inventory documentation. Also, turnovers in the Department's Office of Contract Administration (OCA) led to reporting errors on some SCO 560's. Lastly, lack of training and an outdated and insufficient inventory system contributed to the discrepancies noted. The deterioration of the building, grounds and pool were due to lack of funds.

Failure to properly control and record State property is statutory noncompliance and increases the potential for possible loss or theft of State property. Failure to transfer or find a use for excess property does not allow the State to manage State assets in the most economical manner and could lead to unnecessary purchases by other State agencies. Failure to properly record State property can lead to inaccurate financial information being reported. In addition, failure to properly maintain property could lead to further damage and/or unsafe conditions. (Finding Code No. 2019-025, 2017-037, 2015-024, 2013-024, 11-30, 09-36, 07-14, 05-20)

RECOMMENDATION:

We recommend Department management and staff comply with current policies and procedures regarding property and equipment, and follow the control system in place. Additionally, the Department should adequately maintain buildings and facilities to prevent further deterioration.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. Current policies and procedures will be reviewed and reiterated to all DHS locations. Furthermore, additional Property Control Coordinator training sessions will be provided quarterly. DHS Capital Projects is aware of grounds maintenance requests and information continues to be provided to the Capital Development Board (CDB) for review and possible funding for CDB projects to be initiated.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-026 Inadequate Controls Over Accounts Receivable

The Department of Human Services (Department) is in violation of its policies and procedures as well as statutory requirements regarding the administration of accounts receivable.

During fieldwork, we performed on-site testing of accounts receivable at three of the Department's State-operated facilities. We sampled and tested 45 residents (with receivables) across the three facilities. Our testing resulted in the following exceptions regarding accounts receivable at three of the Department's facilities:

Elgin Mental Health Center

- For 5 out of 15 (33%) resident files tested with receivables totaling \$40,106, residents were sent a Notice of Determination between 40 and 3,877 days after the recommended 60-day period.
- For 3 out of 15 (20%) resident files tested with receivables totaling \$26,363, the facility assigned a payment due date that was less than 90 days of the Notice of Determination form mailing date. The due dates listed were between 43 and 79 days after the Notice of Determination form date.
- For 2 out of 15 (13%) resident files tested with receivables totaling \$23,096, the receivables went unpaid for over 180 days. The age of the receivables were 52 and 71 months and were not submitted to the Department's Central Office Bureau of Collections (BOC) for collection.
- For 2 out of 15 (13%) resident files tested with receivables totaling \$1,475, the facility did not write off Medicare B billings along with the rest of the patient's account.
- For 1 out of 15 (7%) resident files tested with receivables totaling \$291, the receivable balance was not accurate due to system entry limitations.
- Payments from Medicare, Medicaid, and the Social Security Administration were not applied to individual patient accounts resulting in an overpayment of \$2,107,173 that might need to be refunded.

Ann M. Kiley Developmental Center

- The facility did not maintain adequate controls over its accounts receivable procedures. Specifically, the facility did not ensure ILL-1/IL-462 forms were completed fully as follows:
 - Forms containing recipient resource information, income information, asset information, or signature were not fully completed for 8 out of 15 (53%) resident financial case records tested.
 - Five out of 15 (33%) resident financial case records tested did not contain the resident's city of birth.
 - Three out of 15 (20%) resident financial case records tested did not contain the resident's age.
 - Two out of 15 (13%) resident financial case records tested were missing a witness signature authorizing the release of information and assignment of benefits.

Ludeman Developmental Center

- For 1 out of 15 (7%) clients tested, the guardian who was receiving the benefits did not receive a Notice of Determination detailing the rates being charged.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-026 Inadequate Controls Over Accounts Receivable (Continued)

The Illinois State Collection Act of 1986 (30 ILCS 210/2) mandates State agencies to capture receivable information and report receivables in accordance with rules established by the Comptroller. Further, the Illinois State Collection Act of 1986 (30 ILCS 210/3) states it is the public policy of the State to aggressively pursue the collection of accounts or claims due and payable to the State of Illinois through all reasonable means.

The Department of Human Services' Program Directive (02.08.01.040) requires the facility to complete the proper ILL-1 form upon an individual's admittance to the facility. The Directive states that between the ninth and eleventh month of an account receivable's generation, a Notice to Revenue Management Section of an Account Problem (IL462-0681) form is to be sent to the Bureau of Collections, Revenue Management Section (RMS) to request assistance in efforts to collect receivables with collection problems. Additionally, the Directive states facility resource staff generates the Notice of Determination (IL462-0612) form from the Reimbursements System II (RE-2), and mails the IL462-0612 form to the debtor in the first month that an individual enters a facility. The client's guardian should be receiving a Notice of Determination (NoD) detailing the rates being charged and/or changed during the period. The Directive offers further guidance stating that an individual account is not due until 90 days after the IL462-0612 form is mailed. Lastly, the Directive establishes that facility staff mail the Collection Activities Delinquent Notice (IL462-0642) form when the account becomes delinquent.

The Comptroller's Statewide Accounting Management System (SAMS) Manual (Procedure 26.40.10) recommends the Department contact the debtor during the first 60 days that an account is established as a receivable.

The Social Security Act Section 1128J(d) states that overpayments are to be reported and returned within 60 days of the overpayment being identified.

The Illinois Administrative Code (59 Ill Adm. Code 106) and the Mental Health and Developmental Disabilities Code (405 ILCS 5/5-108) require the Department to bill, collect, and establish accounts receivable for services provided in its mental health and developmental disabilities facilities. To facilitate these processes at the facilities, the Department has developed State-Operated Mental Health/Developmental Disabilities Facility AR Collection Procedures.

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

Department management indicated the conditions noted were due to human error, under-staffing, lack of knowledge regarding Department directives, lack of communication between the applicable facility and the Central Office, and lack of staff training.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-026 Inadequate Controls Over Accounts Receivable (Continued)

Failure to make timely determinations of residents' ability to pay and follow-up on accounts receivable in a timely manner may result in the delay or loss of revenue. In addition, the lack of adherence to policies, procedures, and internal controls can lead to an understatement or overstatement of net collectible accounts receivable. (Finding Code No. 2019-026, 2017-038, 2015-025, 2013-013, 11-22, 09-23, 07-15)

RECOMMENDATION:

We recommend Department management and staff comply with current policies and procedures regarding accounts receivable and follow internal control systems put in place at the facilities. Additionally, we recommend Department management and staff maintain detailed records of all billings and the corresponding collections to facilitate proper reporting of accounts receivable activity. We also recommend Department management and the staff consider writing off delinquent or uncollectible accounts to reflect only realizable amounts. Finally, we recommend Department management allocate sufficient staff so that job duties are performed as required and accounts receivable transactions are processed and accounts are properly maintained.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will work to ensure compliance with current policies and procedures regarding accounts receivables, follow internal control systems, keep better records of all billings and collections, and consider writing off delinquent or uncollectable debt. Furthermore, the Department will ensure current staff are properly trained and continue to work to ensure sufficient staff are allocated to perform the job duties required.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-027 Voucher Processing, Policies, Approvals and Payment

The Department of Human Services (Department) did not perform an adequate level of supervisory review over the processing, approval, and payment of vouchers as required by the Illinois Administrative Code and Department policy.

Voucher Processing and Payment Testing

Testing of 660 vouchers was performed across the following areas: personal services, contractual services, travel, commodities, printing, equipment and property, EDP, telecommunications, operation of automotive, awards and grants, and lapse period.

The Illinois Administrative Code (74 Ill. Admin. Code 900.70(b)) requires the Department to approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt. Vendor bills denied during this 30-day period shall be assigned a new date of receipt when a corresponding proper bill is subsequently received. The Illinois Administrative Code (74 Ill. Admin Code 900.20) defines the date of approval of the vendor's bill as the date on which the Agency Head or designee signs the voucher requesting the Comptroller's Office to pay the bill. For agencies whose computer systems automatically record an approval date as a voucher is prepared, the "Date of Approval" shall be defined as the approval date recorded by the computer system.

During voucher testing, we noted the Department did not review each vendor's invoice and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the voucher in whole or in part, within 30 days after the receipt of the bill. The exceptions noted below are presented using the Level 3 approval which is the date of the Agency Head or designee approval. The Level 1 approval is also presented and represents the first internal review of the voucher. Exceptions are as follows:

Area:	Using "Level 3" Approval			Using "Level 1" Approval		
	No. of Exceptions	Range of Days Late	Voucher Sample Total	No. of Exceptions	Range of Days Late	Voucher Sample Total
Printing	6	2 to 128	\$ 48,606	5	2 to 119	\$ 48,173
Operation of Automotive	7	1 to 47	6,417	4	7 to 44	5,967
EDP	21	1 to 146	102,971	12	8 to 145	50,706
Travel	22	2 to 50	4,899	17	1 to 37	2,901
Contractual Services	8	1 to 228	3,686	4	4 to 225	609
Commodities	10	1 to 45	58,540	6	4 to 38	23,626
Property and Equipment	13	4 to 94	74,532	7	3 to 50	26,154
Total	87		\$ 299,651	55		\$ 158,136
Total Rate of Occurrence	13.2%			8.3%		

**STATE OF ILLINOIS
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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-027 Voucher Processing, Policies, Approvals and Payment (Continued)

Also, our voucher testing noted the following:

- For 1 out of 60 (2%) printing vouchers with required interest penalty payments, the interest penalty payment was not submitted to the Illinois Office of the Comptroller (IOC). The voucher totaled \$41,000 and computed interest due totaled approximately \$82.
- For 1 out of 60 (2%) property and equipment vouchers with required interest penalty payments, the interest penalty payment was not submitted to the Illinois Office of the Comptroller (IOC). The voucher totaled \$43,600 and computed interest due totaled approximately \$504.
- For 2 out of 60 (3%) property and equipment vouchers with newly acquired assets, the assets were not found on the Department's Addition Property Control Listings. The vouchers totaled \$8,207.
- For 1 out of 60 (2%) operation of automotive vouchers tested, totaling \$191, the voucher did not have an invoice received date.

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

The State Prompt Payment Act (30 ILCS 540/3-2(1.05)) requires, "Any bill...must be paid or the payment issued to the payee within 90 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 90-day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month, or 0.33% (one-thirtieth of one percent) of any amount approved and unpaid for each day, after the end of this 90-day period, until final payment is made."

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

Department management indicated the conditions noted were due to untimely approval of vendor invoices and lack of maintaining the supporting documentation.

Failure to review and approve vouchers timely, retain documentation supporting the invoice, and submit interest payment penalties to the Comptroller represents noncompliance with State laws, rules, and regulations and could lead to errors or other irregularities. (Finding Code No. 2019-027, 2017-039, 2015-017, 2013-017, 11-24)

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DEPARTMENT OF HUMAN SERVICES
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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-027 Voucher Processing, Policies, Approvals and Payment (Continued)

RECOMMENDATION:

We recommend Department management increase the level of supervisory review of the voucher process. Supervisors should allocate adequate resources to the area and direct that staff follow established policies so that invoice vouchers are reviewed and approved in a timely manner, and interest payment penalties are submitted timely.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will reiterate supervisory responsibilities within the vouchering process and the need for staff to follow established policies.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-028 Inadequate Controls Over Commodities

The Department of Human Services (Department) does not maintain adequate internal control and oversight over commodities. Inventory control includes responsibilities at the Department's State-operated facilities, multiple Central Office warehouses, and other Central Office locations.

The Department incurred commodities expenditures of \$25.699 million and \$26.265 million during FY 2019 and FY 2018, respectively. In addition, the Department recorded ending commodities inventories of \$6.742 million and \$7.944 million for the Fiscal Years ended June 30, 2019 and June 30, 2018, respectively.

During fieldwork, we performed procedures over inventory at three of the Department's facilities. On-site inventory testing was performed at two of the Department's State-operated facilities. We sampled and tested 180 inventory items across these two facilities. Our inventory procedures resulted in the following exceptions at three of the Department's facilities:

Elgin Mental Health Center

- For 2 out of 12 (17%) general stores inventory adjustments, the number of units did not agree to supporting documentation. The adjustments resulted in the number of items on hand being reduced by 6 units and 24 units when no adjustment was necessary for either item.
- For 4 out of 15 (27%) general stores vouchers tested in the amount of \$59, the purchase prices did not agree to the unit prices on the Monthly Commodity Status Report. This resulted in a difference between the unit price per the purchase order and the Monthly Commodity Status Report in the amount of \$32.
- For 1 out of 30 (3%) general stores requisitions tested in the amount of \$2,253, the requisition did not agree to the Activity Status Report. The number of units and amount were recorded correctly in the Activity Status report; however, the description of the item was incorrect.
- There is a segregation of duties issue within the general stores inventory cycle, as two employees have the ability to order, receive, record, maintain custody, and count the inventory items. Additionally, a single employee has the ability to receive, record, maintain custody, and count the inventory.
- For 2 out of 30 (7%) pharmacy inventory items counted during annual inventory, the facility's counts did not agree with our test counts. The discrepancy between counts ranged from 1 to 10 units and totaled \$10.

Ann M. Kiley Developmental Center

- During testing, we noted the facility made an unnecessary year-end adjustment to one of its pharmacy inventory medications. The quantity physically counted by facility staff and the quantity noted within the inventory system (RX Works) agreed. As a result, no adjustment was necessary. However, an adjustment was made to this medication, reducing the quantity in RX Works by eight units. The improper adjustment resulted in the facility's pharmacy inventory being understated by \$14.

**STATE OF ILLINOIS
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-028 Inadequate Controls Over Commodities (Continued)

- The facility failed to include a substantial amount of its non-perishable food inventory on hand in its FY 2019 ending inventory balance.
 - The facility utilizes an off-site warehouse for bulk storage of its non-perishable food products. In addition, the facility holds approximately a three- to four-week supply of non-perishable goods on hand at the facility. The facility removes the goods from its inventory system upon delivery from the off-site warehouse to the facility. The non-perishable food items held at the facility were excluded from the year-end inventory count, resulting in an understatement. We were unable to calculate the resulting understatement due to the number of items excluded from the count.
 - The facility held 32 cases of baby lima beans and 32 cases of turnip greens at its off-site warehouse, which were excluded from the year-end inventory count. Facility personnel stated these items were not counted because they were not purchased by the facility; another facility transferred them to the facility. We were unable to calculate the resulting understatement due to the lack of supporting documentation containing information on the value of these items.
- For 1 out of 30 (3%) inventory items counted during the annual inventory at the off-site warehouse, the facility's counts did not agree with our test counts. The difference noted was one unit, totaling \$31. The facility subsequently made the proper year-end adjustment to correct the error.
- The facility failed to make proper year-end adjustments to two of its commodities inventory items maintained on the Commodities Control System. Items were overstated by 192 and 20 units, respectively, resulting in a collective overstatement of \$980.
- The facility did not include items received following its year-end physical count but prior to June 30, 2019, in its FY 2019 year-end commodities inventory balance. The facility received 32 unique products at various quantities during this time, totaling \$16,320, resulting in an equivalent understatement on its ending reported FY 2019 commodities inventory balance.

Ludeman Developmental Center

- The facility did not physically count all of its inventory items located at the General Stores and Ox Cartage locations during year-end inventory counts. There were 9 inventory types (total quantity of 139 items) listed on the Commodity Control System that were not counted.

The Statewide Accounting Management System (SAMS) (Procedure 03.60.20) requires the Department to perform an annual physical count of inventory on hand and to reconcile the results to inventory records to ensure the completeness and accuracy of those records.

The Department's Administrative Directive 01.05.07.010 states the cutoff date for physical inventory activity is June 30 regardless of the system commodities are tracked on.

The State Records Act (5 ILCS 160/8) requires the head of each agency to cause to be made and preserved records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-028 Inadequate Controls Over Commodities (Continued)

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

Department management indicated the conditions noted were due to human error, limited resources, and lack of knowledge and training of staff responsible for the annual count process.

Lack of strong controls over commodities could lead to fraud, waste, and abuse of commodity items. (Finding Code No. 2019-028, 2017-040, 2015-026, 2013-023)

RECOMMENDATION:

We recommend Department management and staff comply with current policies and procedures regarding commodities and follow the control system in place.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will re-train staff regarding controls over commodities to ensure compliance with existing policies and procedures.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-029 Weaknesses in Cybersecurity Programs and Practices

The Department of Human Services (Department) had not implemented adequate internal controls related to cybersecurity programs and practices.

The Department is responsible for the protection of sensitive information collected including Social Security Numbers, personally identifiable information, protected health information, and financial information associated with fulfilling its overall mission.

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

- Had not developed a formal, comprehensive, adequate, and communicated security framework (policies, procedures, and processes) to manage and monitor the regulatory, legal, environmental and operational requirements.
- Had not assigned cybersecurity responsibilities to Department staff.
- Had not implemented an IT risk management framework to govern its cybersecurity strategy.
- Had not conducted a comprehensive risk assessment to identify all confidential information in electronic and hardcopy form.
- Had not ensured all confidential information was adequately safeguarded, including adequately disposing confidential information at Department facilities. Specifically, during walkthroughs of various Department facilities we noted the following:
 - Ludeman Developmental Center - For 1 out of 6 (17%) garbage receptacles tested and for 3 out of 4 (75%) dumpsters tested, we found documents containing protected health information (PHI).
 - Elgin Mental Health Center - For 1 out of 12 (8%) waste and recycling containers tested, we found documents containing PHI.
 - Jack Mabley Developmental Center - For 3 out of 12 (25%) waste containers tested, we found documents containing PHI. In addition, one instance was noted where PHI was left easily accessible to the general public.
 - Madden Mental Health Center - For 1 out of 6 (17%) garbage receptacles tested, we found documents containing confidential information and PHI.
 - Murray Developmental Center - we found documents containing confidential information and PHI located within a cart used by residents to collect documents from staff throughout the Center for shredding.
 - Illinois Center for Rehabilitation and Education - For 1 out of 4 (25%) recycling containers tested and in 1 out of 2 (50%) shredding bins tested, we found documents containing PHI.
- Had not ensured confidential information was protected with encryption methods prior to sending via the Internet.
- Had not ensured all employees completed cybersecurity training upon employment and annually thereafter.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-029 Weaknesses in Cybersecurity Programs and Practices (Continued)

The Data Security on State Computers Act (20 ILCS 450/25) requires every employee to annually undergo training by the Department of Innovation and Technology concerning cybersecurity.

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

The Department's Administrative Directive (Directive) (01.02.03.140) requires records to be secured when not in direct use by an employee who is authorized to have access to the records. Additionally, the Directive requires records to be disposed in such a manner to ensure the security and confidentiality of the material is not compromised. In addition to the Directive regarding the maintenance and safeguarding of confidential information, the Department is also required to comply with Acts requiring the protection of personal information, including:

- Personal Information Protection Act (815 ILCS 530)
- Identity Protection Act (5 ILCS 179)
- Health Insurance Portability and Accountability Act (45 CFR § 164) and its implementing rules.

Furthermore, generally accepted information technology guidance, including the National Institute of Standards and Technology, endorses the development of well-designed and well-managed controls to protect computer systems and data.

Department management indicated the lack of staffing and resources contributed to the delay in implementing a cybersecurity program. Additionally, Department management indicated although staff were trained in regards to the protection of confidential information, the staff did not comply with the Directives.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the Department's volumes of personally identifiable information and protected health information being susceptible to cyber-attacks and unauthorized disclosure. Additionally, failure to comply with requirements to protect confidential information may lead to such information being compromised. (Finding Code No. 2019-029)

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DEPARTMENT OF HUMAN SERVICES
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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-029 Weaknesses in Cybersecurity Programs and Practices (Continued)

RECOMMENDATION:

The Department has the ultimate responsibility for ensuring confidential information is protected from accidental or unauthorized disclosure. Specifically, we recommend the Department:

- Formally establish and communicate the Department's cybersecurity program (formal and comprehensive policies, procedures and processes) to manage and monitor the regulatory, legal, environmental and operational requirements.
- Assign responsibility over cybersecurity program and clearly document and communicate cybersecurity responsibilities.
- Implement a risk management framework to govern security governance within the Department.
- Conduct a comprehensive risk assessment to identify all confidential information in electronic and hardcopy form in an effort to ensure this information is adequately safeguarded. The Assessment should also identify any risks and corrective actions necessary to remediate those risks, as well as management's overall assessment conclusions.
- Ensure all confidential information is safeguarded and adequately disposed when no longer needed.
- Ensure all confidential information is encrypted if sending via email.
- Ensure all employees annually complete cybersecurity training as outlined in the Data Security on State Computers Act.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will work with the Department of Innovation and Technology (DoIT) to perform a formal Agency Enterprise IT Risk Assessment on DHS systems. Although the Department maintains overall responsibility over cybersecurity for its specific systems and data, DoIT has hired a new Chief Information Security Officer (CISO), who will be assisting with cybersecurity technical responsibilities for DHS systems. DHS will publish verbiage which makes specific reference to its required compliance with DoIT standards. The Department will also compile and document Agency systems data stored electronically or on paper, or both. The Department will continue to work to protect all confidential information. Evidence provided for business-only purposes will be in password-protected, encrypted format. Documentation which includes confidential information will undergo redactions before it is submitted. The Department will ensure all employees and agency partners complete the required annual Security Awareness Training by improved follow-up procedures and additional email reminders.

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DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-030 Noncompliance with Statutory Requirements Regarding Charging Residents for Services

The Department of Human Services (Department) did not comply with statutory requirements regarding charging residents for services at the Rushville Treatment and Detention Facility (Facility).

Under the Sexually Violent Persons Commitment Act (Act) (725 ILCS 207/90), each person committed or detained under the Act who receives services provided directly or funded by the Department and the estate of the person is liable for the payment of sums representing charges for services to the person at a rate to be determined by the Department.

During our testing at the Facility (which is the only State-operated facility this mandate is applicable to), we noted the Department has not implemented a policy and a corresponding rate structure for charging residents for services. Under the existing conditions, a resident may have access to assets to pay for services the facility provides, but the resident would not be required to pay without a documented policy in place.

As of June 30, 2019, the Facility had 564 residents. Facility expenditures for FY 2019 and FY 2018 were approximately \$37,510,543 and \$37,510,480, respectively.

Department management indicated during the prior examination Title 59 Part 299 required significant revision beyond that initially anticipated to implement the Act, and the revisions were in process. During the current examination, Facility management indicated the revisions were completed and Department approval was obtained subsequent to the examination period.

Failure to implement a policy and a corresponding rate structure represents noncompliance with the Act. Further, the Department has not recouped any costs of services provided. (Finding Code No. 2019-030, 2017-025)

RECOMMENDATION:

We recommend the Department implement its policy on charging residents for services and a corresponding rate structure to comply with the Act. We further recommend the Department take steps to determine whether any costs of services that were provided during the examination period can be recouped.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will continue to work towards implementing its policy to charge residents for services and identifying whether any costs of services may be recouped.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-031 Failure to Implement Integrated Living Rules and Adequately Monitor CILAs

The Department of Human Services (Department) failed to finalize and implement certain community integrated living arrangement (CILA) rules. Further, the Department failed to adequately monitor the CILA Program during the examination period.

Failure to Finalize and Implement Rules

During the examination period, we noted the Department had drafted but had not yet finalized and implemented rules related to the assignment and operations of monitors and receiverships for CILAs as required by the Act.

The Community-Integrated Living Arrangements Licensure and Certification Act (210 ILCS 135/9) states that by December 31, 2011, the Department shall adopt rules under the Illinois Administrative Procedure Act that govern the assignment and operations of monitors and receiverships for community-integrated living arrangements wherein the Department has identified systemic risks to individuals served. The rules are required to specify the criteria for determining the need for independent monitors and receivers, their conduct once established, and their reporting requirements to the Department. These monitors and receivers shall be independent entities appointed by the Department and not staff from State agencies.

Department management indicated the continued delay in finalizing the rules were due to insufficient staff resources, and changes in the Federal Home and Community Based Settings Rule.

Failure to Adequately Monitor the CILA Program

In July 2018, the Office of the Auditor General (OAG) released a Performance Audit of the Department's Oversight of the CILA Program (CILA Performance Audit) pursuant to Illinois House of Representatives Resolution Number 34. The OAG's CILA Performance Audit contained 26 recommendations in which the Department was to take corrective actions necessary to ensure all areas responsible for the CILA Program have adequate management oversight to ensure material compliance with all relevant governing laws, regulations, contracts, and grants agreements.

As required by Governmental Auditing Standards, we were required to follow-up on the Department's implementation of the corrective actions during the examination period. As more fully described in the Status of Performance Audits section of this State Compliance Examination Report, 2 recommendations related to testing items which were no longer applicable as of June 30, 2019, 5 recommendations are being reported as having adequate corrective actions implemented, 17 recommendations are reported as having the corrective actions partially implemented, and 2 recommendations are reported as not having had any corrective actions being implemented. As a result of the 19 recommendations, which are reported as not implemented or partially implemented, instances of inadequate monitoring over the CILA Program were documented.

Department management indicated insufficient staff resources were the cause for the delays.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-031 Failure to Implement Integrated Living Rules and Adequately Monitor CILAs (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies establish and maintain a system of internal fiscal and administrative controls which provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law.

Failure to adopt rules that govern the assignment and operations of monitors and receiverships for CILAs and adequately monitor the CILA program could adversely impact the care and treatment of each recipient and represents noncompliance with the Act. (Finding Code No. 2019-031, 2017-014)

RECOMMENDATION:

We recommend Department management comply with the law by completing and adopting rules related to the assignment and operations of monitors and receiverships for CILA arrangements as required by statute. We also recommend management fully implement the CILA Performance Audit recommendations in order to adequately monitor the CILA Program.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The language for monitoring and receivership has been drafted and the rule in its entirety was forwarded to the Rules Bureau within the Office of General Counsel on February 3, 2020, for review.

With respect to failure to adequately monitor the CILA Program as noted by the Office of the Auditor General in July 2018, the Department accepts the recommendation. As of December 31, 2019, 13 of the Auditor General's original 26 recommendations had been fully implemented. Two additional recommendations will be fully implemented when the CILA rule is published. The remaining recommendations have been partially implemented with the majority relating to the Department's oversight of a contract with an outside entity, not related to CILA licensing or monitoring.

**STATE OF ILLINOIS
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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-032 Late Submission of Required Reports

The Department of Human Services (Department) did not submit required reports to the Governor, the General Assembly, and other officials in a timely manner as required by State Law.

During the examination period, the Department was required to submit various reports to the Governor, the General Assembly, and other officials. The topics of these reports include the Emancipation of Minors Act and the Rehabilitation of Persons with Disabilities Act. These reports were not filed in a timely manner.

- The Emancipation of Minors Act (750 ILCS 30/2(g)) requires the Department to annually report to the General Assembly, beginning January 1, 2019 and annually thereafter through January 1, 2024, regarding homeless minors older than 16 years of age but less than 18 years of age referred to a youth transitional housing program, for whom parental consent to enter the program is not obtained.

During testing, we noted the Department did not complete the annual report to the General Assembly during the examination period.

Department management indicated the conditions noted were due to inadequate staffing level at the time of the required report submission.

- The Rehabilitation of Persons with Disabilities Act (20 ILCS 2405/3(d)) requires the Department to report in writing, to the Governor, annually on or before the first day of December. The annual report shall first contain a statement of the existing conditions of comprehensive rehabilitation services, habilitation and rehabilitation in the State. Second, the report shall contain a statement of suggestions and recommendations with reference to the development of comprehensive rehabilitation services, habilitation and rehabilitation in the State. Third, the report shall contain an itemized statement of the amounts of money received from federal, State and other sources, and of the objects and purposes to which the respective items of these several amounts have been devoted.

During testing, we noted the Department could not provide documentation that the required annual reports were prepared or filed with the Governor by December 1, 2017 or December 1, 2018.

Department management indicated information regarding program performance is provided to multiple stakeholders on a regular basis regarding all programs within DRS, and combined with Department reporting. This specific requirement is included in a requested initiative to remove from statute as the intent is met through other manners.

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DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-032 Late Submission of Required Reports (Continued)

- The Rehabilitation of Persons with Disabilities Act (20 ILCS 2405/3(f)) requires the Department to submit an annual report on programs and services under this Section. The report should be filed with the Governor and General Assembly on or before March 30 each year. The Act also requires that the reporting to the General Assembly will have been satisfied by filing copies of the report with the Clerk of the House of Representatives and the Secretary of Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct; and with the Commission on Government Forecasting and Accountability, in the manner that the Commission shall direct. In addition, the Department must make a copy of the report available for a reasonable time on its Internet site or on the Internet site of the public entity that hosts the reporting entity's World Wide Web page, if any. Additional copies shall be filed with the State Government Report Distribution Center for the General Assembly as required under paragraph (t) of Section 7 of the State Library Act.

During testing, we noted the Department could not provide documentation that the required annual reports were filed with the Governor and General Assembly by March 30 of each year. We also noted the Department did not make the 2017 or 2018 annual reports available on its website.

Department management indicated information regarding program performance is provided to multiple stakeholders on a regular basis regarding all programs within DRS, and combined with Department reporting. This specific requirement is included in a requested initiative to remove from statute as the intent is met through other manners.

Failure to prepare, submit, or publish required reports to the Governor, General Assembly, and other officials in a timely manner is noncompliance with State law and could impact decisions made by the Governor, General Assembly, and other officials. (Finding Code No. 2019-032, 2017-031, 2015-019, 2013-033)

RECOMMENDATION:

We recommend Department management submit all reports on or before the due date as specified in the applicable State Law.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Division will work to ensure reports are completed and submitted timely as required by State Law.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-033 Failure to Make Appointments in Accordance With State Law

The Department of Human Services (Department) did not make appointments to a State task force, a commission, and councils as required.

During the examination period, we noted the Department lacked the following representation on a task force, commission, and councils:

- Two Department division representatives for the Employment and Economic Opportunity for Persons with Disabilities Task Force.

The Employment and Economic Opportunity for Persons with Disabilities Task Force Act (20 ILCS 4095/10(c)) requires members of the Employment and Economic Opportunity for Persons with Disabilities Task Force to include representatives of each division of the Department, designated by the Secretary of Human Services.

Department management indicated it did not make all Task Force appointments for the period noted due to oversight.

- Ex-officio representation by a member of the Department's housing office for the Commission on Environmental Justice.

The Environmental Justice Act (415 ILCS 155/10(a) (3)) requires one of the ex-officio members of the Commission on Environmental Justice to be a representative of the housing office of the Department appointed by the Secretary of Human Services.

Department management indicated the statewide housing coordinator position, who usually serves as the ex-officio member, was vacant during FY 2018 and FY 2019.

- Ex-officio representation by the Chief of the Bureau of Refugee and Immigrant Services for the Illinois Council on Women and Girls.

The Illinois Council on Women and Girls Act (20 ILCS 5130/15 – 20 ILCS 5130/30) requires the following officials to serve as ex officio members of the Council: the Lieutenant Governor, or his or her designee, and the Chief of the Bureau of Refugee and Immigrant Services within the Department of Human Services, or his or her designee.

Department management indicated this council was formed in 2018; however, ex-officio appointments could not be made until after the newly elected Governor made his appointments in April 2019.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-033 Failure to Make Appointments in Accordance With State Law (Continued)

- Ex-officio representation by the Department for the Statewide Independent Living Council. One representative should be from the administration of the vocational rehabilitation program and another from the unit that provides services for individuals with disabilities.

Former representatives had terms expire on June 30, 2016. The Department's current vocational rehabilitation representative began their term in November 2017; therefore, this position was vacant for the first four months of Fiscal Year 2018. The Department's current disabilities representative began their term in October 2018; therefore, this position was vacant during all of Fiscal Year 2018 and for the first three months of Fiscal Year 2019.

The Rehabilitation of Persons with Disabilities Act (Act) (20 ILCS 2405/12a) requires the Statewide Independent Living Council include a representative from the unit of the Department of Human Services responsible for the administration of the vocational rehabilitation program and a representative from another unit in the Department of Human Services that provides services for individuals with disabilities.

Department management indicated the conditions noted were due to oversight.

By failing to appoint representatives, the Department's interests and purposes are not being represented on the task force, commission, and councils. (Finding Code No. 2019-033, 2017-032)

RECOMMENDATION:

We recommend Department management appoint the appropriate personnel to the task force, commission and councils and evaluate its processes to make statutorily required appointments to ensure they are made in a timely manner.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will work to track the expiration of terms providing ample lead time to refill positions on task forces, commissions, and councils.

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SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-034 Lack of Compliance with Policies for Vehicles

The Department of Human Services (Department) did not comply with reporting requirements pertaining to vehicle accidents and did not comply with Department of Central Management Services (DCMS) policies and procedures to ensure State vehicles were properly maintained and utilized.

Reporting Requirements for Vehicle Accidents

During testing of the DCMS policies and procedures applicable to Department vehicles, we noted 2 out of 8 (25%) instances of accidents involving State owned vehicles used by Department employees during the examination period were not reported to DCMS within 7 calendar days as required. The reporting ranged from 3 to 8 days late.

Per the DCMS Vehicle Guide, the Illinois Form SR-1 “Motorist Report of Illinois Vehicles Accident” and Uniform Cover Letter is to be submitted to DCMS Risk Management no later than seven calendar days following the accident.

Further, the Department’s Administrative Directive (01.05.05.030), regarding reporting of motor vehicle accidents and insurance coverage requires that as a condition of coverage, employees involved in a motor vehicle accident are required to have a legible written report of the accident in the DCMS Division of Risk Management no later than seven (7) calendar days following the accident. Failure to comply with this important condition in the plan may result in forfeiture of insurance coverage to the employee.

Department management indicated Business Services is not aware of auto accidents unless and until a driver reports it, at which time Business Services promptly enters it into the Risk Management System. If the driver does not submit the required paperwork timely then it does not get reported within the guidelines set forth by the Department of Central Management Services.

Annual Certification of Licensure and Liability Insurance

During testing of individually assigned vehicles, we noted for 2 out of 3 (67%) vehicles tested, the annual certifications of licensure and liability insurance were submitted 7 and 156 days late.

The Illinois Vehicle Code (625 ILCS 5/7-601(c)) requires every employee of a State agency, as that term is defined in the Illinois State Auditing Act, who is assigned a specific vehicle owned or leased by the State on an ongoing basis, to provide the certification annually to the director or chief executive officer of his or her agency. The certification shall be provided during the period July 1 through July 31 of each calendar year, or within 30 days of any new assignment of a vehicle on an ongoing basis, whichever is later.

Department management indicated the non-compliance was due to employee oversight.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-034 Lack of Compliance with Policies for Vehicles (Continued)

Maintenance and Utilization of State Vehicles

The Department did not comply with DCMS policies and procedures to ensure state vehicles are properly maintained and utilized. During testing of maintenance and utilization records for Department vehicles, we noted the following:

- For 15 out of 25 (60%) vehicles tested, oil changes were not done within maximum mileage and/or time requirements.
- For 2 out of 25 (8%) vehicles tested, there was insufficient documentation to support an oil change was timely performed.
- For 5 out of 25 (20%) vehicle tested, tires were not rotated as required during the examination period.
- For 1 out of 25 (4%) vehicles tested, there was no documentation to support an annual inspection was performed in FY 2018.

DCMS issued a Memorandum to agency vehicle coordinators on September 24, 2018 which outlines maintenance, lube, oil and filter change interval policies for passenger vehicles. Per this Memorandum, the standard lube, oil and filter change interval requirement for passenger fleet vehicles 10 years and older is 3,000 miles or 12 months, whichever comes first. For passenger vehicles 9 years and newer, the policy is 5,000 miles or 12 months, whichever comes first. Tire rotation on all passenger vehicles is required every other oil change.

Department management indicated the conditions noted were due to turnover at facilities, some of the vehicles did not have maintenance performed as scheduled.

Failure to report accidents to DCMS in a timely manner may impact the State's ability to investigate and defend itself against resulting claims. Failure to submit annual license and insurance certificates on time as required by the Illinois Vehicle Code is noncompliance with State statute. Failure to maintain vehicles in accordance with DCMS policy could result in the vehicle not being operable though its estimated useful life and could result in costly repairs. (Finding Code No. 2019-034, 2017-041)

RECOMMENDATION:

We recommend Department management enhance its processes and internal controls so that accidents are reported within the DCMS required time frame, annual licenses and insurance certificates are submitted timely, and vehicles are properly maintained in compliance with DCMS policies.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department is working to review and develop additional edits to help eliminate noted errors and improve maintenance viability and adherence. Information regarding procedures for reporting accidents will be relayed to all facilities.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-035 Contingency Planning Weaknesses

The Department of Human Services (Department) did not ensure adequate disaster recovery planning and testing was conducted during the examination period.

The Department's Disaster Recovery Plan did not include specific recovery or business continuity procedures or reference to existing plans for the Department's facilities. Additionally, although a table top recovery exercise associated with mainframe operations was performed, a comprehensive test was not performed using the alternate data center or backups of the Department's systems and data.

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

Information technology guidance (including the National Institute of Standards and Technology and Governmental Accountability Office) promotes the formal development and testing of disaster recovery plans. Tests of disaster recovery plans (and any associated documentation) verify that the plan, procedures, resources (including personnel) provide the capability to recover critical systems within the required timeframes.

During the current examination, as well as within the prior year examination, Department management indicated they believed the facilities had established recovery plans and were testing annually.

Failure to have an updated comprehensive Disaster Recovery Plan and ensuring the Disaster Recovery Plan is adequately tested increases the risk of extended recovery timeline and system unavailability. (Finding Code No. 2019-035, 2017-033, 2015-031, 2013-027, 11-35, 09-30, 07-28, 05-24)

RECOMMENDATION:

We recommend the Department ensure the Disaster Recovery Plan is updated to include adequate recovery procedures, including business continuity procedures, for the Department's facilities, or references to specific recovery plans maintained by the facilities. Once updated, the Department should ensure the Plan is adequately tested and documented annually, including any appropriate actions necessary to address any weaknesses identified during testing.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will work with the Department of Innovation and Technology (DoIT) to update the agency Disaster Recovery Plan to include more comprehensive documentation and testing of facility-specific plans and procedures. Furthermore, the Department will work with DoIT to formulate a process to test the Alternate Data Center and backups of agency systems and data. These will be accomplished annually, while continuing the annual Tabletop Exercises for the legacy systems.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-036 Access to Systems Not Controlled

The Department of Human Services (Department) did not adequately control access to their systems.

Even given the population limitations which hindered our ability to conclude whether the sample selected was representative of the population as a whole (See Finding 2019-013), we obtained the populations of the Department's users to their various systems to determine if access was appropriate. Our testing noted:

- For a sample of 25 new hires, terminations, and transfers associated with the Payroll and Timekeeping System (PTS), Consolidated Accounting and Reporting System (CARS) and Resource Access Control Facility (RACF) at the Department's Central Office, the Department did not provide documentation for 4 new hires, 3 terminations, and 1 transfer of access approval or timely termination of the access rights.
- The Department did not have a formal process for the provisioning and de-provisioning of training accounts.
- User access to the PTS and/or the CARS was not timely deactivated after termination from the Department's facilities.
- User access was incorrectly assigned to the wrong facility location.
- Adequate segregation of duties over the human resources and payroll functions at the Department's facilities was not maintained.

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

Information technology guidance (including the National Institute of Standards and Technology and Governmental Accountability Office) promotes controls for ensuring access to system resources are appropriately authorized. Furthermore, the Department's Administrative Directive (01.02.02.180) outlines provisions for system access in general and requires the Department's Security Coordinators to revoke a separated employees' computer system access at the end of the employee's final day.

The Department's management indicated access provisioning documentation associated with mainframe access is maintained by the individual security software coordinator. However, the security software coordinator had retired and the Department was unable to locate the records. With regard to training IDs, the Department indicated they believed the informal procedures were reasonable, whereas access is only for training purposes. With regard to facility access weaknesses identified within PTS and CARS, the Department believed access was reasonable as it was an oversight.

Failure to approve and deactivate access to computer systems is noncompliance with the Department's Administrative Directive and could result in unauthorized access to the Department's systems and data. (Finding Code No. 2019-036)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-036 Access to Systems Not Controlled (Continued)

RECOMMENDATION:

We recommend the Department:

- Ensure adequate procedures, including adequate approval and documentation, exist for access provisioning and de-provisioning for all accesses including training IDs.
- Ensure the Department's PTS and CARS administration personnel work with the facilities to ensure system access is reviewed at least annually to ensure access is appropriate or timely removed when no longer needed.
- Ensure access within the specific applications is timely removed when no longer needed.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department no longer requires RACF IDs for all employees, only for those with a specific need for mainframe access. The Department has begun the process of disabling RACF IDs for individuals with no need for access. The Illinois Department of Innovation and Technology (DoIT) and the Department's Management Information Services (MIS) security will review its access provisioning policies and procedures to ensure the importance of proper onboarding and offboarding is emphasized to the agency RACF Coordinators. DoIT - Department MIS security will also work with the DoIT-DHS Customer Service Training Bureau to document the process of provisioning and de-provisioning 'training only' accounts.

The Department will conduct a thorough review of access to the Payroll Timekeeping System to ensure access within applications is appropriate.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-037 Failure to Ensure Medical Assistance Payments' Prompt Payment Interest was Accurately Calculated and Paid

The Department of Human Services (Department) failed to ensure prompt payment interest that resulted from late medical assistance payments to vendors were accurately calculated and paid.

The Department makes certain medical assistance payments through the Department of Healthcare and Family Services (HFS) using the Medicaid Management Information System (MMIS). The Department submits information for medical services for eligibility determination and payment to HFS as the Statewide Medicaid agency for the State of Illinois. HFS enters the information into MMIS to determine if the individual expenditure for medical services is properly payable under federal Medicaid regulations. MMIS creates the payment vouchers from the Department's appropriations that are submitted by HFS for the eligible claims to the Illinois Office of the Comptroller (Comptroller). The voucher posts overnight at a summary level to Department appropriations when the payment vouchers are released to the Comptroller.

During testing, we determined the Department does not have a methodology to calculate prompt payment interest that results from late medical payments to vendors processed through MMIS and, therefore, it cannot determine if it accurately paid all such amounts going back to the year ended June 30, 2010.

The Department was unable to provide detailed supporting documentation for the medical assistance payments recorded against its appropriations. The Department does not have a process to track, and has not determined the amount of prompt payment interest owed for FY 2019 and FY 2018 related to the medical assistance payments. The Department provided support for the payment of \$39,072 for MMIS Prompt Payment Interest during FY 2019 and FY 2018. We were unable to determine the entire population of MMIS Prompt Pay Interest owed to vendors in order to determine if all amounts were paid.

Department management stated the Department only receives summary transactions data for entry into its Consolidated Accounting and Reporting System (CARS).

No liability is recorded for unpaid claims in the Department's financial statements because any demanded amounts paid after the lapse period would be paid outside of the Department, from the Court of Claims.

The State Prompt Payment Act (Act) (30 ILCS 540/3-2) currently requires agencies to determine whether interest is due and automatically pay interest penalties amounting to \$50 or more to the appropriate vendor when payment is not issued within 90 days after receipt of a proper bill. Because the Department's failure to ensure prompt payment interest was accurately calculated and paid spanned multiple fiscal years, several changes have occurred in the Act over this period. Public Act 096-0959, effective July 1, 2010, established the requirement to automatically pay interest penalties amounting to \$50 or more as well as establishing requirements for amounts of less than \$50. Public Act 096-0802, effective January 1, 2010, increased the rate to 2.0% for medical payments under Article V of the Illinois Public Aid Code. Lastly, Public Act 097-0072, effective July 1, 2011 increased the late period to 90 days and decreased the rate for all interest payments back to 1.0%.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-037 Failure to Ensure Medical Assistance Payments' Prompt Payment Interest was Accurately Calculated and Paid (Continued)

The Statewide Accounting Management System (SAMS) Manual (Procedure 17.20.45) states it is the responsibility of each State agency to develop and implement internal procedures that will permit full compliance with the provisions of the State Prompt Payment Act (30 ILCS 540/1 et seq.) and the rules jointly promulgated by the State Comptroller and the Department of Central Management Services to govern the uniform application of that Act. SAMS Manual (Procedure 17.20.45) provides further guidance on the conditions to apply the Act, the type of written records which must be kept, and the calculation which must be performed to determine the appropriate interest payment to record and remit. According to SAMS Manual (Procedure 17.20.45), agencies must maintain written records reflecting the following date or dates on which: (1) the goods were received and accepted or the Services were rendered; (2) the Proper Bill was received by the State agency; (3) approval for payment of a bill was given by the Agency; (4) a vendor bill was disapproved, in whole or in part, based upon a defect or what the State agency believes to be a defect; and (5) the payment was issued by the Comptroller's Office.

Department management indicated a verbal agreement to pay and process MMIS interest payments was initiated back in FY 2010 between the Department and HFS. However, no written interagency agreement has ever been in place to handle processing MMIS payments or paying interest. The Department also noted that because its access to MMIS data is limited, it felt it was impossible to calculate the full amount of eligible prompt payment interest.

Failure to ensure prompt payment interest is accurately calculated and paid results in noncompliance with the Act and the SAMS Manual. In addition, failure to properly calculate and pay the prompt payment interest in a timely manner could result in unpaid vendors needing to seek payment through the Illinois Court of Claims. (Finding Code No. 2019-037, 2017-030, 2015-021, 2013-006)

RECOMMENDATION:

We recommend Department management develop a methodology to calculate prompt payment interest that results from late medical payments to vendors processed through MMIS. The methodology should include the creation of an interagency agreement with HFS to obtain the necessary detailed documentation to allow the Department to determine that prompt payment interest is calculated and paid accurately as outlined in the Act and the SAMS Manual. We also recommend Department management estimate a liability for such contingency when preparing its financial statements, where applicable.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will coordinate with the Department of Healthcare and Family Services (HFS) to establish an Intergovernmental Agreement addressing the calculation and verification of Prompt Payment Interest (PPI) on Medical Assistance payments processed through the Medicaid Management Information System. The Department will also estimate a liability for this contingency when preparing its financial statements.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2019**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2019-038 Failure to Track Military Related Identifiers in the Cross-Disability Database

The Department of Human Services (Department) failed to comply with the cross-disability database provision of the Department of Human Services Act (Act) (20 ILCS 1305/26). Specifically, we noted the Department did not track military related identifier(s) in its cross-disability database and, therefore, could not identify dependents of military service members within its cross-disability database in order to determine needs for services upon return to the State.

The Act (20 ILCS 1305/10-26) requires that the Department to compile and maintain a cross-disability database of Illinois residents with a disability who are potentially in need of disability services funded by the Department. The Act (20 ILCS 1305/10-26(d)) requires that the Department allow legal residents who are dependents of a military service member and who are absent from the State due to the member's military service to be added to the cross-disability database to indicate the need for services upon return to the State.

Department management indicated a programming change to their Prioritization of Urgency of Need for Services (PUNS) database to add a military related identifier was not yet implemented by the Department of Innovation and Technology (DoIT).

Failure to comply with the Act could result in dependents of military service members not receiving benefits they are entitled to, if they are not indicated as eligible within the database. (Finding Code No. 2019-038, 2017-023, 2015-016, Program Audit of the Office of the Inspector General (December 2010))

RECOMMENDATION:

We recommend Department management work with DoIT to add the required identifiers to its database to capture information on dependents of military service members who are absent from the State due to the member's military service.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. As of November 8, 2019, the programmatic changes to capture this information were added to the database. In addition, as of June 8, 2020, case managers can submit military status data. The Department is working to process the sign off and closure request through the IT request form.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

PRIOR FINDINGS NOT REPEATED

**A. FINDING Methodology Used for Calculating the Allowance for Doubtful Accounts
Not Accurate**

During the previous engagement, the Department of Human Services (Department) did not sufficiently assess all information it had available in determining the allowance for doubtful accounts and did not maintain sufficient detail supporting all receivable balances.

During the current engagement, the Department reviewed all available information in formulating the estimate for the allowance for doubtful accounts, and was able to provide the detail needed in support of the receivable balances. As a result, this finding is not repeated. (Finding Code No. 2018-002, 2017-004)

**B. FINDING Failure to Perform Essential Project Management Functions over the
Integrated Eligibility System**

During the previous engagement, the Department of Healthcare and Family Services and the Department of Human Services did not adequately execute internal controls over the implementation and operation of the State of Illinois' Integrated Eligibility System (IES) Phase II. Specifically, management of the Departments did not perform adequate project management functions over the implementation of IES Phase II.

Phase II of the IES implementation was completed in FY 2018 and there were no significant project management activities in FY 2019. Upon completion of the next significant projection management activity, the auditors will review the applicable State agency's development project. As a result, this finding is not repeated. (Finding Code No. 2018-007)

**C. FINDING Deletion of Four Months of Intake Eligibility Files and Significant
Problems Determining Eligibility for Human Service Programs**

During the previous engagement, the Department of Healthcare and Family Services and the Department of Human Services lacked controls over eligibility determinations and retention of intake documentation for the State of Illinois' human service programs.

During the current engagement, we noted no instances of missing intake documentation for the IES System. However, we noted continuing issues with determinations of eligibility for human service programs. For further details, see Finding No. 2019-005. (Finding Code No. 2018-008)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

PRIOR FINDINGS NOT REPEATED

D. FINDING Statewide Failure to Execute Interagency Agreements and Perform Essential Project Management Functions over Provider Enrollment in the Medicaid Program

During the previous engagement, the Department of Healthcare and Family Services (HFS), the Department of Human Services (DHS), the Department of Children and Family Services (DCFS), and the Department on Aging (DoA) (collectively, the “Departments”) failed to execute adequate internal controls over the implementation and operation of the State of Illinois’ Illinois-Michigan Program Alliance for Core Technology system (IMPACT). Specifically, management of the Departments did not enter into interagency agreements (IA) defining each agency’s roles and responsibilities and did not perform essential project management functions over the implementation of IMPACT.

Phase 2 of the IMPACT implementation was completed in FY 2018 and there were no significant project management activities in FY 2019 at DHS or HFS during the audit period. Upon completion of the next significant project management activity, the auditors will review the applicable State agency’s development project. The financial audit of DCFS and the State compliance examination of DoA are biennial engagements, and therefore the prior year findings statuses will be followed up on for the reporting year ended June 30, 2020 and for the two years ended June 30, 2020, respectively. As a result of the aforementioned reasoning, this portion of the prior year finding is not repeated. The auditors have, however, reported in Finding 2019-011 that the Departments have not entered into IAs defining each agency’s roles and responsibilities over IMPACT. (Finding Code No. 2018-004)

E. FINDING Applicant Social Security Information in IES Not Sufficiently Supported

During the prior engagement, the Department of Healthcare and Family Services and the Department of Human Services (Departments) did not have adequate controls to ensure the social security information of applicants for human services programs was sufficiently supported. Specifically, when comparing applicants’ data in the Integrated Eligibility System (IES) to the Social Security Administration (SSA) Master Death Records, we noted applicants had applied for services after their associated dates of death, dates of death for applicants were prior to their associated birth dates, and applicants’ eligibility determinations were being overridden by caseworkers.

During the current engagement, when we performed our comparison of the IES data to the SSA Master Death Records, we noted minimal instances of the above errors. As such, we have determined the Departments significantly improved controls over the social security information of applicants for human services program. As a result, this finding is not repeated. (Finding Code No. 2017-012)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

PRIOR FINDINGS NOT REPEATED

F. FINDING Inadequate Monitoring of Provider Agencies and Failure to File the Annual Individual Living Council State Plan

During the prior engagement, the Department of Human Services (Department) did not adequately monitor Independent Living Program provider agencies which were Division of Rehabilitation Services (DRS) grant recipients. Further, the Department did not comply with the Rehabilitation of Persons with Disabilities Act (Act) (20 ILCS 2405) regarding the annual Independent Living Council State Plan.

During the current engagement, we noted the Department improved controls over the on-site compliance reviews of the Independent Living Program providers noting immaterial instances of noncompliance. As a result, this finding has been moved to the Department's Report of Immaterial Findings. (Finding Code No. 2017-020, 2015-014, 2013-012)

G. FINDING Inadequate Controls Over the Department of Human Services Act

During the prior engagement, the Department of Human Services (Department) lacked adequate controls over compliance with the Department of Human Services Act (Act) (20 ILCS 1305), including:

1. investigative reports of abuse and/or neglect requiring a written response from the facilities were not received within 30 days by the Department's Office of Inspector General (OIG);
2. documentation was not maintained of when facilities received reports from the OIG; and,
3. a tracking system for dependents of a military service member had not been implemented within the Department's cross-disability database to indicate the dependent's need for services when the service member returns to the State.

In following up on this matter, we noted the Office of the Auditor General has released a program audit of the OIG for the seven years ended June 30, 2017. This audit had 13 recommendations requiring corrective action. The eighth recommendation involved testing of OIG investigative reports, identifying issues similar to #1 and #2 above. Under the Act (20 ILCS 1350/1-17(w)), the Auditor General conducts this program audit on an as needed basis, with the next program audit scheduled to occur during Fiscal Year 2021 for the three years ended June 30, 2020. As this scheduled engagement has not occurred as of yet, prior findings related to issues #1 and #2 will not be repeated during this examination, as the forthcoming program audit will test and review the Department's progress with implementing all prior recommendations. For this examination, we considered the effect on our opinion by not performing procedures to follow-up on issues #1 and #2. Due to the other material and pervasive noncompliance matters noted in this report, we concluded it was not necessary to perform follow-up testing at this time for this engagement.

Finally, we noted the Department has not taken action to correct issue #3 above. As such, this matter has been reported in Finding 2019-038. (Finding Code No. 2017-023, 2015-0016, Program Audit of the Office of the Inspector General (December 2010))

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

PRIOR FINDINGS NOT REPEATED

H. FINDING Failure to Establish a System Sharing the Compassionate Use of Medical Cannabis Information

During the prior engagement, the Department of Human Services (Department) failed to establish a system to electronically share information regarding a registered, qualifying patient's identification card information and certification that the individual is permitted to engage in the medical use of cannabis in accordance with the Compassionate Use of Medical Cannabis Pilot Program Act (410 ILCS 130/60(e)).

During the current engagement, we noted the Department established a system through a third party vendor that securely sends the required data to the Prescription Monitoring Program. As a result, this finding is not repeated. (Finding Code No. 2017-026)

I. FINDING Noncompliance with Statutory Requirements Relating to the Mental Health Services Strategic Planning Task Force

During the prior engagement, the Department of Human Services (Department) did not comply with statutory requirements related to required actions and administrative support services of the Mental Health Services Strategic Planning Task Force (Task Force) in accordance with the Mental Health and Developmental Disabilities Administration Act (MH Act). Specifically, we noted the Department could not provide documentation to support when the Task Force's strategic plan was submitted to the Governor or General Assembly, nor could the Department provide documentation (such as meeting minutes or recordings) to support Task Force meetings had taken place.

During the current engagement, we noted the applicable section of the MH Act (20 ILCS 1705/18.6) governing the Task Force was repealed (sunset), effective December 31, 2019. Further, during our other testing procedures of the Department's State Compliance Examination, we did note additional instances in which the Department failed to establish procedures to timely submit required reports to the Governor or General Assembly. For further details, see Finding No. 2019-032. We did not note, however, additional instances in which the Department failed to ensure meeting minutes were maintained for any of its boards/commissions/task forces tested. As a result, this portion of the finding is not repeated. (Finding Code No. 2017-027)

J. FINDING Failure to Lead Establishment of Cross-Agency Prequalification Process and Master Service Agreement

During the prior engagement, the Department of Human Services (Department) did not comply with a law requiring it to serve as a lead agency to establish a cross-agency prequalification process or master service agreement for contracting with human service providers.

During the current engagement, we noted the applicable section of the Department of Human Services Act (20 ILCS 1305/1-37a) requiring the cross-agency prequalification process or master services agreement was repealed by Public Act 100-955, effective August 19, 2018. As a result, this finding is not repeated. (Finding Code No. 2017-029, 2015-022)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2019**

PRIOR FINDINGS NOT REPEATED

K. FINDING Inadequate Compliance with Procedures for Disposal of Confidential Information

During the prior engagement, the Department of Human Services (Department) had not ensured compliance with procedures for disposal of documents containing confidential information.

During the current engagement, we noted the Department still had not ensured confidential information was disposed of in accordance with procedures. These conditions have been combined with other security exceptions we noted in Finding 2019-029. (Finding Code No. 2017-034, 2015-032, 2013-009, 11-10, 09-12, 07-09, 05-25)

L. FINDING Unsecured Confidential Information Transmitted Over the Internet

During the prior engagement, the Department of Human Services (Department) transmitted unsecured confidential information over the internet.

During the current engagement, we noted the Department continued to transmit unsecured confidential information over the internet. These conditions have been combined with other security exceptions we noted in Finding 2019-029. (Finding Code No. 2017-035, 2015-033, 2013-026)

M. FINDING Inadequate Controls Over Refund Receipts

During the prior engagement, the Department of Human Services (Department) lacked controls over the Department's refund process and did not deposit refund receipts timely.

During the current engagement, our sample testing indicated the Department improved controls over its refund process and refund receipts were deposited timely. As a result, this finding is not repeated. (Finding Code No. 2017-042, 2015-030)

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2019
For the Sixteen Months Ended October 31, 2019
(expressed in thousands)

PUBLIC ACTS 100-0586 and 101-0007	Expenditure Authority (Net after Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1, 2019 to October 31, 2019	Total Expenditures	Balances Lapsed
Appropriated Funds					
General Revenue Fund - 0001:					
Awards and Grants	\$ 398,983	\$ 309,893	\$ 16,258	\$ 326,151	\$ 72,832
Awards, Grants, Lump Sums and Other Purposes	2,455,281	2,107,433	195,591	2,303,024	152,257
Funeral and Burial Expenses, Payments to Vendors	6,000	2,147	1,850	3,997	2,003
Lump-Sum Operations	101,400	-	100,197	100,197	1,203
Lump Sums and Other Purposes	1,077,802	878,009	128,364	1,006,373	71,429
Other Refunds	8	-	-	-	8
Student, Member or Inmate Compensation	41	22	-	22	19
Tort, Settlements and Similar Payments - Nontaxable	486	2	-	2	484
Total General Revenue Fund	\$ 4,040,001	\$ 3,297,506	\$ 442,260	\$ 3,739,766	\$ 300,235
Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013:					
Awards and Grants	\$ 60,000	\$ 23,081	\$ 10,528	\$ 33,609	\$ 26,391
Awards, Grants, Lump Sums and Other Purposes	16,000	7,486	4,671	12,157	3,843
Commodities	54	4	-	4	50
Contractual Services	1,228	245	61	306	922
Electronic Data Processing	300	-	7	7	293
Employer Contributions for Group Insurance	672	356	18	374	298
Equipment	14	2	11	13	1
Lump-Sum Operations	215	7	14	21	194
Operations of Automotive Equipment	20	1	1	2	18
Personal Services	2,787	1,627	84	1,711	1,076
Printing	35	-	-	-	35
Retirement	1,439	842	44	886	553
State Contributions for Social Security	237	127	6	133	104
Telecommunications	118	1	-	1	117
Travel	200	9	7	16	184
Total Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund	\$ 83,319	\$ 33,788	\$ 15,452	\$ 49,240	\$ 34,079

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2019
For the Sixteen Months Ended October 31, 2019
(expressed in thousands)

PUBLIC ACTS 100-0586 and 101-0007	Expenditure Authority (Net after Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1, 2019 to October 31, 2019	Total Expenditures	Balances Lapsed
Group Home Loan Revolving Fund - 0025:					
Awards and Grants	\$ 200	\$ 18	\$ 5	\$ 23	\$ 177
Total Group Home Loan Revolving Fund	\$ 200	\$ 18	\$ 5	\$ 23	\$ 177
Illinois Veterans' Rehabilitation Fund - 0036:					
Awards and Grants	\$ 2,414	\$ 2,397	\$ 15	\$ 2,412	\$ 2
Commodities	6	-	-	-	6
Employer Contributions for Group Insurance	528	-	-	-	528
Equipment	7	-	-	-	7
Personal Services	1,952	-	-	-	1,952
Retirement	1,008	-	-	-	1,008
State Contributions for Social Security	149	-	-	-	149
Telecommunications	20	-	20	20	-
Travel	12	-	12	12	-
Total Illinois Veterans' Rehabilitation Fund	\$ 6,096	\$ 2,397	\$ 47	\$ 2,444	\$ 3,652
Mental Health Fund - 0050:					
Awards and Grants	\$ 9,966	\$ 9,966	\$ -	\$ 9,966	\$ -
Lump Sums and Other Purposes	22,144	5,104	4,936	10,040	12,104
Lump-Sum Operations	21,344	17,361	885	18,246	3,098
Other Refunds	2,000	-	-	-	2,000
Total Mental Health Fund	\$ 55,454	\$ 32,431	\$ 5,821	\$ 38,252	\$ 17,202
Group Special Olympics Fund - 0073:					
Awards, Grants, Lump Sums and Other Purposes	\$ 1,000	\$ 817	\$ 1	\$ 818	\$ 182
Total Group Special Olympics Fund	\$ 1,000	\$ 817	\$ 1	\$ 818	\$ 182

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2019
For the Sixteen Months Ended October 31, 2019
(expressed in thousands)

PUBLIC ACTS 100-0586 and 101-0007	Expenditure Authority (Net after Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1, 2019 to October 31, 2019	Total Expenditures	Balances Lapsed
Vocational Rehabilitation Fund - 0081:					
Awards and Grants	\$ 59,187	\$ 37,382	\$ 5,994	\$ 43,376	\$ 15,811
Awards, Grants, Lump Sums and Other Purposes	7,502	3,384	585	3,969	3,533
Commodities	480	124	13	137	343
Contractual Services	17,252	5,432	1,540	6,972	10,280
Employer Contributions for Group Insurance	14,395	8,353	367	8,720	5,675
Equipment	2,018	243	1,113	1,356	662
Lump Sums and Other Purposes	153	116	4	120	33
Lump-Sum Operations	367	-	-	-	367
Operations of Automotive Equipment	83	10	1	11	72
Other Refunds	5	-	-	-	5
Personal Services	45,503	30,447	1,446	31,893	13,610
Printing	243	2	1	3	240
Retirement	23,486	15,701	746	16,447	7,039
State Contributions for Social Security	3,581	2,287	108	2,395	1,186
Telecommunications	4,270	786	209	995	3,275
Tort, Settlements and Similar Payments - Nontaxable	10	-	-	-	10
Travel	1,602	240	49	289	1,313
Total Vocational Rehabilitation Fund	\$ 180,137	\$ 104,507	\$ 12,176	\$ 116,683	\$ 63,454
Assistance to the Homeless Trust Fund - 0100:					
Awards, Grants, Lump Sums and Other Purposes	\$ 300	\$ -	\$ -	\$ -	\$ 300
Total Assistance to the Homeless Trust Fund	\$ 300	\$ -	\$ -	\$ -	\$ 300
Home Services Medicaid Trust Fund - 0120:					
Awards, Grants, Lump Sums and Other Purposes	\$ 246,000	\$ 244,999	\$ 821	\$ 245,820	\$ 180
Total Home Services Medicaid Trust Fund	\$ 246,000	\$ 244,999	\$ 821	\$ 245,820	\$ 180
Youth Alcoholism and Substance Abuse Prevention Fund - 0128:					
Awards and Grants	\$ 2,050	\$ 2,034	\$ 6	\$ 2,040	\$ 10
Lump Sums and Other Purposes	150	-	-	-	150
Total Youth Alcoholism and Substance Abuse Prevention Fund	\$ 2,200	\$ 2,034	\$ 6	\$ 2,040	\$ 160

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2019
For the Sixteen Months Ended October 31, 2019
(expressed in thousands)

PUBLIC ACTS 100-0586 and 101-0007	Expenditure Authority (Net after Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1, 2019 to October 31, 2019	Total Expenditures	Balances Lapsed
State Gaming Fund - 0129:					
Awards, Grants, Lump Sums and Other Purposes	\$ 1,030	\$ 621	\$ 217	\$ 838	\$ 192
Total State Gaming Fund	<u>\$ 1,030</u>	<u>\$ 621</u>	<u>\$ 217</u>	<u>\$ 838</u>	<u>\$ 192</u>
Specialized Services for Survivors of Human Trafficking Fund - 0132:					
Awards and Grants	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Specialized Services for Survivors of Human Trafficking Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>
Community DD Services Medicaid Trust Fund - 0142:					
Awards, Grants, Lump Sums and Other Purposes	\$ 90,000	\$ 69,374	\$ 3,581	\$ 72,955	\$ 17,045
Total Community DD Services Medicaid Trust Fund	<u>\$ 90,000</u>	<u>\$ 69,374</u>	<u>\$ 3,581</u>	<u>\$ 72,955</u>	<u>\$ 17,045</u>
Mental Health Reporting Fund - 0148:					
Awards and Grants	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000
Lump Sums and Other Purposes	2,500	145	11	156	2,344
Total Mental Health Reporting Fund	<u>\$ 5,500</u>	<u>\$ 145</u>	<u>\$ 11</u>	<u>\$ 156</u>	<u>\$ 5,344</u>
Sexual Assault Services and Prevention Fund - 0158:					
Awards, Grants, Lump Sums and Other Purposes	\$ 600	\$ -	\$ 470	\$ 470	\$ 130
Total Sexual Assault Services and Prevention Fund	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ 470</u>	<u>\$ 470</u>	<u>\$ 130</u>
Children's Wellness Charities Fund - 0178:					
Awards and Grants	\$ 50	\$ -	\$ -	\$ -	\$ 50
Total Children's Wellness Charities Fund	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>
Housing for Families Fund - 0181:					
Awards and Grants	\$ 50	\$ -	\$ -	\$ -	\$ 50
Total Housing for Families Fund	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>
DHS Technology Initiative Fund - 0211:					
Lump Sums and Other Purposes	\$ 10,000	\$ 6,552	\$ 113	\$ 6,665	\$ 3,335
Total DHS Technology Initiative Fund	<u>\$ 10,000</u>	<u>\$ 6,552</u>	<u>\$ 113</u>	<u>\$ 6,665</u>	<u>\$ 3,335</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2019
For the Sixteen Months Ended October 31, 2019
(expressed in thousands)

PUBLIC ACTS 100-0586 and 101-0007	Expenditure Authority (Net after Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1, 2019 to October 31, 2019	Total Expenditures	Balances Lapsed
Autism Research Checkoff Fund - 0228:					
Awards, Grants, Lump Sums and Other Purposes	\$ 25	\$ -	\$ -	\$ -	\$ 25
Total Autism Research Checkoff Fund	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25</u>
Drunk and Drugged Driving Prevention Fund - 0276:					
Awards, Grants, Lump Sums and Other Purposes	\$ 3,212	\$ 1,388	\$ 202	\$ 1,590	\$ 1,622
Total Drunk and Drugged Driving Prevention Fund	<u>\$ 3,212</u>	<u>\$ 1,388</u>	<u>\$ 202</u>	<u>\$ 1,590</u>	<u>\$ 1,622</u>
Illinois Affordable Housing Trust Fund - 0286:					
Awards and Grants	\$ 1,000	\$ 469	\$ 359	\$ 828	\$ 172
Awards, Grants, Lump Sums and Other Purposes	14,384	13,043	601	13,644	740
Total Illinois Affordable Housing Trust Fund	<u>\$ 15,384</u>	<u>\$ 13,512</u>	<u>\$ 960</u>	<u>\$ 14,472</u>	<u>\$ 912</u>
Care Provider Fund for Persons with a Developmental Disability Fund - 0344:					
Awards, Grants, Lump Sums and Other Purposes	\$ 45,000	\$ 27,002	\$ 142	\$ 27,144	\$ 17,856
Total Care Provider Fund for Persons with a Developmental Disability Fund	<u>\$ 45,000</u>	<u>\$ 27,002</u>	<u>\$ 142</u>	<u>\$ 27,144</u>	<u>\$ 17,856</u>
Employment and Training Fund - 0347:					
Awards, Grants, Lump Sums and Other Purposes	\$ 485,000	\$ 234,375	\$ 50,882	\$ 285,257	\$ 199,743
Total Employment and Training Fund	<u>\$ 485,000</u>	<u>\$ 234,375</u>	<u>\$ 50,882</u>	<u>\$ 285,257</u>	<u>\$ 199,743</u>
Health and Human Services Medicaid Trust Fund - 0365:					
Awards and Grants	\$ 3,383	\$ 3,304	\$ 47	\$ 3,351	\$ 32
Awards, Grants, Lump Sums and Other Purposes	23,700	22,708	161	22,869	831
Total Health and Human Services Medicaid Trust Fund	<u>\$ 27,083</u>	<u>\$ 26,012</u>	<u>\$ 208</u>	<u>\$ 26,220</u>	<u>\$ 863</u>
Drug Treatment Fund - 0368:					
Awards, Grants, Lump Sums and Other Purposes	\$ 5,106	\$ 2,173	\$ 361	\$ 2,534	\$ 2,572
Other Refunds	5	-	-	-	5
Total Drug Treatment Fund	<u>\$ 5,111</u>	<u>\$ 2,173</u>	<u>\$ 361</u>	<u>\$ 2,534</u>	<u>\$ 2,577</u>
Sexual Assault Services Fund - 0389:					
Awards and Grants	\$ 100	\$ -	\$ 100	\$ 100	\$ -
Total Sexual Assault Services Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2019
For the Sixteen Months Ended October 31, 2019
(expressed in thousands)

PUBLIC ACTS 100-0586 and 101-0007	Expenditure Authority (Net after Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1, 2019 to October 31, 2019	Total Expenditures	Balances Lapsed
Gaining Early Awareness and Readiness for Undergraduate Programs Fund - 0394:					
Awards, Grants, Lump Sums and Other Purposes	\$ 3,517	\$ -	\$ -	\$ -	\$ 3,517
Total Gaining Early Awareness and Readiness for Undergraduate Programs Fund	\$ 3,517	\$ -	\$ -	\$ -	\$ 3,517
Autism Care Fund - 0399:					
Awards and Grants	\$ 50	\$ -	\$ -	\$ -	\$ 50
Total Autism Care Fund	\$ 50	\$ -	\$ -	\$ -	\$ 50
DHS Special Purposes Trust Fund - 0408:					
Awards and Grants	\$ 7,258	\$ 3,790	\$ 1,567	\$ 5,357	\$ 1,901
Awards, Grants, Lump Sums and Other Purposes	401,094	301,791	18,145	319,936	81,158
Contractual Services	200	14	103	117	83
Lump Sums and Other Purposes	10,784	1,911	479	2,390	8,394
Total DHS Special Purposes Trust Fund	\$ 419,336	\$ 307,506	\$ 20,294	\$ 327,800	\$ 91,536
Autism Awareness Fund - 0458:					
Awards, Grants, Lump Sums and Other Purposes	\$ 50	\$ 43	\$ 7	\$ 50	\$ -
Total Autism Awareness Fund	\$ 50	\$ 43	\$ 7	\$ 50	\$ -
Old Age Survivors Insurance Fund - 0495:					
Awards and Grants	\$ 25,000	\$ 16,843	\$ 603	\$ 17,446	\$ 7,554
Commodities	379	8	-	8	371
Contractual Services	14,480	5,999	875	6,874	7,606
Employer Contributions for Group Insurance	11,040	7,217	305	7,522	3,518
Equipment	1,601	-	-	-	1,601
Personal Services	35,753	23,739	1,016	24,755	10,998
Printing	384	101	-	101	283
Retirement	18,454	12,265	525	12,790	5,664
State Contributions for Social Security	3,347	1,957	84	2,041	1,306
Telecommunications	1,405	296	29	325	1,080
Travel	198	31	-	31	167
Total Old Age Survivors Insurance Fund	\$ 112,041	\$ 68,456	\$ 3,437	\$ 71,893	\$ 40,148

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2019
For the Sixteen Months Ended October 31, 2019
(expressed in thousands)

PUBLIC ACTS 100-0586 and 101-0007	Expenditure Authority (Net after Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1, 2019 to October 31, 2019	Total Expenditures	Balances Lapsed
Early Intervention Services Revolving Fund - 0502:					
Awards, Grants, Lump Sums and Other Purposes	\$ 180,000	\$ 158,435	\$ 13,802	\$ 172,237	\$ 7,763
Other Refunds	300	189	1	190	110
Total Early Intervention Services Revolving Fund	\$ 180,300	\$ 158,624	\$ 13,803	\$ 172,427	\$ 7,873
DHS Community Services Fund - 0509:					
Awards, Grants, Lump Sums and Other Purposes	\$ 42,000	\$ 23,437	\$ 234	\$ 23,671	\$ 18,329
Total DHS Community Services Fund	\$ 42,000	\$ 23,437	\$ 234	\$ 23,671	\$ 18,329
Domestic Violence Abuser Services Fund - 0528:					
Awards, Grants, Lump Sums and Other Purposes	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Domestic Violence Abuser Services Fund	\$ 100	\$ -	\$ -	\$ -	\$ 100
Juvenile Accountability Incentive Block Fund - 0581:					
Awards, Grants, Lump Sums and Other Purposes	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Total Juvenile Accountability Incentive Block Fund	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
DHS Federal Projects Fund - 0592:					
Awards, Grants, Lump Sums and Other Purposes	\$ 45,778	\$ 10,855	\$ 3,048	\$ 13,903	\$ 31,875
Lump-Sum Operations	6,004	1,756	1,409	3,165	2,839
Other Refunds	25	-	-	-	25
Total DHS Federal Projects Fund	\$ 51,807	\$ 12,611	\$ 4,457	\$ 17,068	\$ 34,739
Special Olympics Illinois Fund - 0623:					
Awards, Grants, Lump Sums and Other Purposes	\$ 50	\$ 12	\$ 6	\$ 18	\$ 32
Total Special Olympics Illinois Fund	\$ 50	\$ 12	\$ 6	\$ 18	\$ 32
DHS State Projects Fund - 0642:					
Lump Sums and Other Purposes	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Lump-Sum Operations	10,368	831	1,113	1,944	8,424
Total DHS State Projects Fund	\$ 11,368	\$ 831	\$ 1,113	\$ 1,944	\$ 9,424

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2019
For the Sixteen Months Ended October 31, 2019
(expressed in thousands)

PUBLIC ACTS 100-0586 and 101-0007	Expenditure Authority (Net after Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1, 2019 to October 31, 2019	Total Expenditures	Balances Lapsed
Alcoholism and Substance Abuse Fund - 0646:					
Awards, Grants, Lump Sums and Other Purposes	\$ 33,500	\$ 16,931	\$ 3,657	\$ 20,588	\$ 12,912
Total Alcoholism and Substance Abuse Fund	\$ 33,500	\$ 16,931	\$ 3,657	\$ 20,588	\$ 12,912
Private Resource Fund - 0690:					
Awards, Grants, Lump Sums and Other Purposes	\$ 316	\$ -	\$ -	\$ -	\$ 316
Lump Sums and Other Purposes	10	-	-	-	10
Total Private Resource Fund	\$ 326	\$ -	\$ -	\$ -	\$ 326
U.S.D.A. Women Infants and Children Fund - 0700:					
Awards and Grants	\$ 1,400	\$ 1,189	\$ 44	\$ 1,233	\$ 167
Awards, Grants, Lump Sums and Other Purposes	60,549	46,354	5,826	52,180	8,369
Contractual Services	117	23	27	50	67
Employer Contributions for Group Insurance	48	13	1	14	34
Medical Preparation and Food Supplies for Free Distribution	230,000	172,537	5,328	177,865	52,135
Other Refunds	200	-	-	-	200
Personal Services	237	110	6	116	121
Retirement	122	57	3	60	62
State Contributions for Social Security	18	8	1	9	9
Total U.S.D.A. Women Infants and Children Fund	\$ 292,691	\$ 220,291	\$ 11,236	\$ 231,527	\$ 61,164
Hunger Relief Fund - 0706:					
Awards and Grants	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Hunger Relief Fund	\$ 100	\$ -	\$ -	\$ -	\$ 100
Community Mental Health Medicaid Trust Fund - 0718:					
Awards, Grants, Lump Sums and Other Purposes	\$ 92,902	\$ 49,479	\$ 1,112	\$ 50,591	\$ 42,311
Total Community Mental Health Medicaid Trust Fund	\$ 92,902	\$ 49,479	\$ 1,112	\$ 50,591	\$ 42,311
Tobacco Settlement Recovery Fund - 0733:					
Awards and Grants	\$ 250	\$ -	\$ -	\$ -	\$ 250
Awards, Grants, Lump Sums and Other Purposes	3,939	1,367	574	1,941	1,998
Total Tobacco Settlement Recovery Fund	\$ 4,189	\$ 1,367	\$ 574	\$ 1,941	\$ 2,248

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STATE OF ILLINOIS
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SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2019
For the Sixteen Months Ended October 31, 2019
(expressed in thousands)

PUBLIC ACTS 100-0586 and 101-0007	Expenditure Authority (Net after Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1, 2019 to October 31, 2019	Total Expenditures	Balances Lapsed
Local Initiative Fund - 0762:					
Awards, Grants, Lump Sums and Other Purposes	\$ 22,729	\$ 16,564	\$ 2,982	\$ 19,546	\$ 3,183
Contractual Services	25	4	11	15	10
Total Local Initiative Fund	\$ 22,754	\$ 16,568	\$ 2,993	\$ 19,561	\$ 3,193
Rehabilitation Services Elementary and Secondary Education Act Fund - 0798:					
Lump-Sum Operations	\$ 1,384	\$ 708	\$ 38	\$ 746	\$ 638
Total Rehabilitation Services Elementary and Secondary Education Act Fund	\$ 1,384	\$ 708	\$ 38	\$ 746	\$ 638
Domestic Violence Shelter and Service Fund - 0865:					
Awards, Grants, Lump Sums and Other Purposes	\$ 952	\$ 485	\$ 44	\$ 529	\$ 423
Total Domestic Violence Shelter and Service Fund	\$ 952	\$ 485	\$ 44	\$ 529	\$ 423
Maternal and Child Health Services Block Grant Fund - 0872:					
Awards, Grants, Lump Sums and Other Purposes	\$ 9,401	\$ 3	\$ -	\$ 3	\$ 9,398
Contractual Services	40	-	-	-	40
Lump-Sum Operations	458	-	-	-	458
Other Refunds	5	-	-	-	5
Total Maternal and Child Health Services Block Grant Fund	\$ 9,904	\$ 3	\$ -	\$ 3	\$ 9,901
Community Mental Health Services Block Grant Fund - 0876:					
Awards and Grants	\$ 27,367	\$ 22,257	\$ 350	\$ 22,607	\$ 4,760
Commodities	5	-	-	-	5
Contractual Services	319	18	2	20	299
Employer Contributions for Group Insurance	168	67	2	69	99
Equipment	5	-	-	-	5
Personal Services	632	259	9	268	364
Retirement	326	134	4	138	188
State Contributions for Social Security	49	20	-	20	29
Travel	20	2	-	2	18
Total Community Mental Health Services Block Grant Fund	\$ 28,891	\$ 22,757	\$ 367	\$ 23,124	\$ 5,767

(Continued)

STATE OF ILLINOIS
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(expressed in thousands)

PUBLIC ACTS 100-0586 and 101-0007	Expenditure Authority (Net after Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1, 2019 to October 31, 2019	Total Expenditures	Balances Lapsed
Youth Drug Abuse Prevention Fund - 0910:					
Awards and Grants	\$ 530	\$ 530	\$ -	\$ 530	\$ -
Other Refunds	30	-	-	-	30
Total Youth Drug Abuse Prevention Fund	\$ 560	\$ 530	\$ -	\$ 530	\$ 30
Juvenile Justice Trust Fund - 0911:					
Awards, Grants, Lump Sums and Other Purposes	\$ 4,000	\$ 978	187	\$ 1,165	\$ 2,835
Total Juvenile Justice Trust Fund	\$ 4,000	\$ 978	\$ 187	\$ 1,165	\$ 2,835
DHS Recoveries Trust Fund - 0921:					
Contractual Services	\$ 300	\$ 290	\$ 10	\$ 300	\$ -
Lump-Sum Operations	27,263	10,137	748	10,885	16,378
Total DHS Recoveries Trust Fund	\$ 27,563	\$ 10,427	\$ 758	\$ 11,185	\$ 16,378
Total Appropriated Funds	\$ 6,644,287	\$ 5,011,695	\$ 598,153	\$ 5,609,848	\$ 1,034,439
NON-APPROPRIATED FUNDS					
Hansen-Therkelsen Memorial Fund - 0123:					
Awards and Grants to Students		\$ 1,068	\$ -	\$ 1,068	
Total Hansen-Therkelsen Memorial Fund		\$ 1,068	\$ -	\$ 1,068	
DHS Special Purposes Trust Fund - 0408:					
Awards, Grants, Lump Sums and Other Purposes		\$ 199	\$ 292	\$ 491	
Total DHS Special Purposes Trust Fund		\$ 199	\$ 292	\$ 491	
Electronic Benefits Transfer Fund - 0540:					
Awards and Grants		\$ 119,824	\$ -	\$ 119,824	
Total Electronic Benefits Transfer Fund		\$ 119,824	\$ -	\$ 119,824	
DHS Federal Projects Fund - 0592:					
Awards, Grants, Lump Sums and Other Purposes		\$ 182	\$ 54	\$ 236	
Total DHS Federal Projects Fund		\$ 182	\$ 54	\$ 236	

(Continued)

STATE OF ILLINOIS
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For the Sixteen Months Ended October 31, 2019
(expressed in thousands)

PUBLIC ACTS 100-0586 and 101-0007	Expenditure Authority (Net after Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1, 2019 to October 31, 2019	Total Expenditures	Balances Lapsed
Alcoholism and Substance Abuse Fund - 0646:					
Awards, Grants, Lump Sums and Other Purposes		\$ 961	\$ 3,047	\$ 4,008	
Total Alcoholism and Substance Abuse Fund		<u>\$ 961</u>	<u>\$ 3,047</u>	<u>\$ 4,008</u>	
DHS Private Resources Fund - 0690:					
Lump-Sum Operations		\$ 1	\$ 2	\$ 3	
Total DHS Private Resources Fund		<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 3</u>	
Grant vs Dimas Escrow Fund - 0818:					
Awards, Grants, Lump Sums and Other Purposes		\$ 30,746	\$ (5)	\$ 30,741	
Total Grant vs Dimas Escrow Fund		<u>\$ 30,746</u>	<u>\$ (5)</u>	<u>\$ 30,741</u>	
Community Mental Health Services Block Grant Fund - 0876:					
Refunds of Federal and Other Grants		\$ 136	\$ -	\$ 136	
Total Community Mental Health Services Block Grant Fund		<u>\$ 136</u>	<u>\$ -</u>	<u>\$ 136</u>	
DHS Recoveries Trust Fund - 0921:					
Awards and Grants		\$ 1,119	\$ 25	\$ 1,144	
Other Refunds		102	35	137	
Refunds of Federal and Other Grants		5,619	678	6,297	
Total DHS Recoveries Trust Fund		<u>\$ 6,840</u>	<u>\$ 738</u>	<u>\$ 7,578</u>	
Total Non-Appropriated Funds		<u>\$ 159,957</u>	<u>\$ 4,128</u>	<u>\$ 164,085</u>	
Total All Funds		<u>\$ 5,171,652</u>	<u>\$ 602,281</u>	<u>\$ 5,773,933</u>	

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from Department records as of October 31, 2019, and have been reconciled to State Comptroller records as of November 30, 2019. Expenditures include refunds.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
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SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2018
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(expressed in thousands)

Schedule 2

<u>PUBLIC ACTS 100-0021 and 100-0586</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2018</u>	<u>Lapse Period Expenditures July 1, 2018 to October 31, 2018</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Appropriated Funds					
General Revenue Fund - 0001:					
Awards and Grants	\$ 417,990	\$ 299,813	\$ 16,347	\$ 316,160	\$ 101,830
Awards, Grants, Lump Sums and Other Purposes	2,376,343	2,051,684	190,420	2,242,104	134,239
Lump Sums and Other Purposes	584,694	432,261	125,906	558,167	26,527
Lump Sum Operations	568,717	454,303	67,024	521,327	47,390
Funeral and Burial Expenses, Payments to Vendors	9,272	1,910	288	2,198	7,074
Total General Revenue Fund	<u>\$ 3,957,016</u>	<u>\$ 3,239,971</u>	<u>\$ 399,985</u>	<u>\$ 3,639,956</u>	<u>\$ 317,060</u>
Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013:					
Awards and Grants	\$ 76,000	\$ 41,775	\$ 11,226	\$ 53,001	\$ 22,999
Commodities	54	1	-	1	53
Contractual Services	1,228	364	155	519	709
Electronic Data Processing	300	-	-	-	300
Employer Contributions for Group Insurance	672	299	13	312	360
Equipment	14	-	3	3	11
Lump-Sum Operations	215	10	-	10	205
Operations of Automotive Equipment	20	5	-	5	15
Personal Services	2,787	1,551	79	1,630	1,157
Printing	35	-	-	-	35
Retirement	1,505	795	37	832	673
State Contributions for Social Security	237	131	7	138	99
Telecommunications	118	-	-	-	118
Travel	200	11	3	14	186
Total Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund	<u>\$ 83,385</u>	<u>\$ 44,942</u>	<u>\$ 11,523</u>	<u>\$ 56,465</u>	<u>\$ 26,920</u>
Group Home Loan Revolving Fund - 0025:					
Awards and Grants	\$ 200	\$ 10	\$ 15	\$ 25	\$ 175
Total Group Home Loan Revolving Fund	<u>\$ 200</u>	<u>\$ 10</u>	<u>\$ 15</u>	<u>\$ 25</u>	<u>\$ 175</u>

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Illinois Veterans' Rehabilitation Fund - 0036:					
Awards and Grants	\$ 2,414	\$ 2,411	\$ (1)	\$ 2,410	\$ 4
Commodities	6	-	-	-	6
Employer Contributions for Group Insurance	528	-	-	-	528
Equipment	7	-	-	-	7
Personal Services	1,952	-	-	-	1,952
Retirement	1,054	-	-	-	1,054
State Contributions for Social Security	150	-	-	-	150
Telecommunications	19	-	-	-	19
Travel	12	-	-	-	12
Total Illinois Veterans' Rehabilitation Fund	\$ 6,142	\$ 2,411	\$ (1)	\$ 2,410	\$ 3,732
Mental Health Fund - 0050:					
Awards and Grants	\$ 9,966	\$ 9,964	\$ -	\$ 9,964	\$ 2
Lump Sums and Other Purposes	17,144	3,958	497	4,455	12,689
Lump-Sum Operations	21,344	16,517	479	16,996	4,348
Other Refunds	2,000	-	-	-	2,000
Total Mental Health Fund	\$ 50,454	\$ 30,439	\$ 976	\$ 31,415	\$ 19,039
Group Special Olympics Fund - 0073:					
Awards, Grants, Lump Sums and Other Purposes	\$ 2,000	\$ 1,000	\$ -	\$ 1,000	\$ 1,000
Total Group Special Olympics Fund	\$ 2,000	\$ 1,000	\$ -	\$ 1,000	\$ 1,000
Vocational Rehabilitation Fund - 0081:					
Awards and Grants	\$ 59,187	\$ 35,083	\$ 6,110	\$ 41,193	\$ 17,994
Awards, Grants, Lump Sums and Other Purposes	7,502	3,839	551	4,390	3,112
Commodities	480	88	7	95	385
Contractual Services	17,583	6,273	909	7,182	10,401
Employer Contributions for Group Insurance	14,395	8,403	350	8,753	5,642
Equipment	768	26	42	68	700
Lump Sums and Other Purposes	153	110	-	110	43
Lump-Sum Operations	367	-	-	-	367
Operations of Automotive Equipment	44	9	2	11	33
Other Refunds	5	-	-	-	5

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Vocational Rehabilitation Fund - 0081 (Continued):					
Personal Services	\$ 45,503	\$ 31,831	\$ 1,357	\$ 33,188	\$ 12,315
Printing	193	5	1	6	187
Retirement	24,578	16,282	642	16,924	7,654
State Contributions for Social Security	3,581	2,402	103	2,505	1,076
Telecommunications	4,270	551	449	1,000	3,270
Tort, Settlements and Similar Payments - Nontaxable	10	-	-	-	10
Travel	1,520	235	81	316	1,204
Total Vocational Rehabilitation Fund	\$ 180,139	\$ 105,137	\$ 10,604	\$ 115,741	\$ 64,398
Assistance to the Homeless Fund - 0100:					
Awards, Grants, Lump Sums and Other Purposes	\$ 300	\$ 200	\$ 55	\$ 255	\$ 45
Total Assistance to the Homeless Fund	\$ 300	\$ 200	\$ 55	\$ 255	\$ 45
Home Services Medicaid Trust Fund - 0120:					
Awards, Grants, Lump Sums and Other Purposes	\$ 246,000	\$ 223,648	\$ 5,322	\$ 228,970	\$ 17,030
Total Home Services Medicaid Trust Fund	\$ 246,000	\$ 223,648	\$ 5,322	\$ 228,970	\$ 17,030
Youth Alcoholism and Substance Abuse Prevention Fund - 0128:					
Awards and Grants	\$ 1,050	\$ 958	\$ 13	\$ 971	\$ 79
Lump Sums and Other Purposes	150	-	-	-	150
Total Youth Alcoholism and Substance Abuse Prevention Fund	\$ 1,200	\$ 958	\$ 13	\$ 971	\$ 229
State Gaming Fund - 0129:					
Awards, Grants, Lump Sums and Other Purposes	\$ 1,030	\$ 445	\$ 148	\$ 593	\$ 437
Total State Gaming Fund	\$ 1,030	\$ 445	\$ 148	\$ 593	\$ 437
Specialized Services for Survivors of Human Trafficking Fund - 0132:					
Awards and Grants	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Specialized Services for Survivors of Human Trafficking Fund	\$ 100	\$ -	\$ -	\$ -	\$ 100

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Community DD Services Medicaid Trust Fund - 0142:					
Awards, Grants, Lump Sums and Other Purposes	\$ 75,000	\$ 58,347	\$ 1,639	\$ 59,986	\$ 15,014
Total Community DD Services Medicaid Trust Fund	\$ 75,000	\$ 58,347	\$ 1,639	\$ 59,986	\$ 15,014
Mental Health Reporting Fund - 0148:					
Awards and Grants	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000
Lump Sums and Other Purposes	2,500	82	5	87	2,413
Total Mental Health Reporting Fund	\$ 4,500	\$ 82	\$ 5	\$ 87	\$ 4,413
Sexual Assault Services & Prevention Fund - 0158:					
Awards, Grants, Lump Sums and Other Purposes	\$ 600	\$ 600	\$ -	\$ 600	\$ -
Total Sexual Assault Services & Prevention Fund	\$ 600	\$ 600	\$ -	\$ 600	\$ -
Children's Wellness Charities Fund - 0178:					
Awards and Grants	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Children's Wellness Charities Fund	\$ 100	\$ -	\$ -	\$ -	\$ 100
Housing for Families Fund - 0181:					
Awards and Grants	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Housing for Families Fund	\$ 100	\$ -	\$ -	\$ -	\$ 100
DHS Technology Initiative Fund - 0211:					
Lump Sums and Other Purposes	\$ 10,000	\$ 2,200	\$ 1,291	\$ 3,491	\$ 6,509
Total DHS Technology Initiative Fund	\$ 10,000	\$ 2,200	\$ 1,291	\$ 3,491	\$ 6,509
Autism Research Checkoff Fund - 0228:					
Awards, Grants, Lump Sums and Other Purposes	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Autism Research Checkoff Fund	\$ 100	\$ -	\$ -	\$ -	\$ 100
Drunk and Drugged Driving Prevention Fund - 0276:					
Awards, Grants, Lump Sums and Other Purposes	\$ 3,212	\$ 1,503	\$ 102	\$ 1,605	\$ 1,607
Total Drunk and Drugged Driving Prevention Fund	\$ 3,212	\$ 1,503	\$ 102	\$ 1,605	\$ 1,607

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Illinois Affordable Housing Trust Fund - 0286:					
Awards and Grants	\$ 1,000	\$ 993	\$ 7	\$ 1,000	\$ -
Awards, Grants, Lump Sums and Other Purposes	13,384	12,852	(122)	12,730	654
Total Illinois Affordable Housing Trust Fund	\$ 14,384	\$ 13,845	\$ (115)	\$ 13,730	\$ 654
Federal National Community Services Fund - 0343:					
Interfund Cash Transfers	\$ 500	\$ -	\$ -	\$ -	\$ 500
Total Federal National Community Services Fund	\$ 500	\$ -	\$ -	\$ -	\$ 500
Care Provider Fund for Persons with a Developmental Disability Fund - 0344:					
Awards, Grants, Lump Sums and Other Purposes	\$ 45,000	\$ 26,279	\$ 3,534	\$ 29,813	\$ 15,187
Total Care Provider Fund for Persons with a Developmental Disability Fund	\$ 45,000	\$ 26,279	\$ 3,534	\$ 29,813	\$ 15,187
Employment and Training Fund - 0347:					
Awards and Grants	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Awards, Grants, Lump Sums and Other Purposes	485,000	268,408	55,177	323,585	161,415
Total Employment and Training Fund	\$ 505,000	\$ 268,408	\$ 55,177	\$ 323,585	\$ 181,415
Health and Human Services Medicaid Trust Fund - 0365:					
Awards and Grants	\$ 3,383	\$ 3,367	\$ (77)	\$ 3,290	\$ 93
Awards, Grants, Lump Sums and Other Purposes	23,700	15,641	154	15,795	7,905
Total Health and Human Services Medicaid Trust Fund	\$ 27,083	\$ 19,008	\$ 77	\$ 19,085	\$ 7,998
Drug Treatment Fund - 0368:					
Awards, Grants, Lump Sums and Other Purposes	\$ 5,106	\$ 2,374	\$ 733	\$ 3,107	\$ 1,999
Other Refunds	5	-	-	-	5
Total Drug Treatment Fund	\$ 5,111	\$ 2,374	\$ 733	\$ 3,107	\$ 2,004
Sexual Assault Services Fund - 0389:					
Awards and Grants	\$ 100	\$ 100	\$ -	\$ 100	\$ -
Total Sexual Assault Services Fund	\$ 100	\$ 100	\$ -	\$ 100	\$ -

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Gaining Early Awareness and Readiness for Undergraduate Programs Fund - 0394:					
Awards, Grants, Lump Sums and Other Purposes	\$ 3,517	\$ 84	\$ 5	\$ 89	\$ 3,428
Total Gaining Early Awareness and Readiness for Undergraduate Programs Fund	\$ 3,517	\$ 84	\$ 5	\$ 89	\$ 3,428
Autism Care Fund - 0399:					
Awards and Grants	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Autism Care Fund	\$ 100	\$ -	\$ -	\$ -	\$ 100
DHS Special Purposes Trust Fund - 0408:					
Awards and Grants	\$ 7,258	\$ 1,720	\$ 3,043	\$ 4,763	\$ 2,495
Awards, Grants, Lump Sums and Other Purposes	326,094	217,840	26,686	244,526	81,568
Contractual Services	200	200	-	200	-
Lump Sums and Other Purposes	10,784	2,510	249	2,759	8,025
Total DHS Special Purposes Trust Fund	\$ 344,336	\$ 222,270	\$ 29,978	\$ 252,248	\$ 92,088
Autism Awareness Fund - 0458:					
Awards, Grants, Lump Sums and Other Purposes	\$ 100	\$ 10	\$ -	\$ 10	\$ 90
Total Autism Awareness Fund	\$ 100	\$ 10	\$ -	\$ 10	\$ 90
Old Age Survivors Insurance Fund - 0495:					
Awards and Grants	\$ 25,000	\$ 17,074	\$ 609	\$ 17,683	\$ 7,317
Commodities	379	141	2	143	236
Contractual Services	14,480	6,658	494	7,152	7,328
Employer Contributions for Group Insurance	11,040	6,969	279	7,248	3,792
Equipment	1,601	-	-	-	1,601
Personal Services	35,753	24,516	1,097	25,613	10,140
Printing	384	88	70	158	226
Retirement	19,312	12,578	519	13,097	6,215
State Contributions for Social Security	3,347	2,042	91	2,133	1,214
Telecommunications	1,405	267	53	320	1,085
Travel	198	44	5	49	149
Total Old Age Survivors Insurance Fund	\$ 112,899	\$ 70,377	\$ 3,219	\$ 73,596	\$ 39,303

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Early Intervention Services Revolving Fund - 0502:					
Awards, Grants, Lump Sums and Other Purposes	\$ 180,000	\$ 146,664	\$ 18,454	\$ 165,118	\$ 14,882
Other Refunds	300	212	10	222	78
Total Early Intervention Services Revolving Fund	\$ 180,300	\$ 146,876	\$ 18,464	\$ 165,340	\$ 14,960
DHS Community Services Fund - 0509:					
Awards, Grants, Lump Sums and Other Purposes	\$ 42,000	\$ 23,373	\$ 464	\$ 23,837	\$ 18,163
Total DHS Community Services Fund	\$ 42,000	\$ 23,373	\$ 464	\$ 23,837	\$ 18,163
Domestic Violence Abuser Services Fund - 0528:					
Awards, Grants, Lump Sums and Other Purposes	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Domestic Violence Abuser Services Fund	\$ 100	\$ -	\$ -	\$ -	\$ 100
Juvenile Accountability Incentive Block Fund - 0581:					
Awards, Grants, Lump Sums and Other Purposes	\$ 5,000	\$ 40	\$ 45	\$ 85	\$ 4,915
Total Juvenile Accountability Incentive Block Fund	\$ 5,000	\$ 40	\$ 45	\$ 85	\$ 4,915
DHS Federal Projects Fund - 0592:					
Awards, Grants, Lump Sums and Other Purposes	\$ 43,779	\$ 9,318	\$ 3,075	\$ 12,393	\$ 31,386
Other Refunds	25	-	-	-	25
Lump-Sum Operations	6,004	993	661	1,654	4,350
Total DHS Federal Projects Fund	\$ 49,808	\$ 10,311	\$ 3,736	\$ 14,047	\$ 35,761
Special Olympics Illinois Fund -0623:					
Awards, Grants, Lump Sums and Other Purposes	\$ 100	\$ 16	\$ -	\$ 16	\$ 84
Total Special Olympics Illinois Fund	\$ 100	\$ 16	\$ -	\$ 16	\$ 84
DHS State Projects Fund - 0642:					
Lump Sums and Other Purposes	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Lump-Sum Operations	10,368	6,458	1,366	7,824	2,544
Total DHS State Projects Fund	\$ 11,368	\$ 6,458	\$ 1,366	\$ 7,824	\$ 3,544

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Commitment to Human Services Fund - 0644:					
Awards and Grants, Lump Sums and Other Purposes	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Total Commitment to Human Services Fund	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Alcoholism and Substance Abuse Fund - 0646:					
Awards and Grants, Lump Sums and Other Purposes	\$ 33,500	\$ 13,940	\$ 4,611	\$ 18,551	\$ 14,949
Total Alcoholism and Substance Abuse Fund	\$ 33,500	\$ 13,940	\$ 4,611	\$ 18,551	\$ 14,949
Private Resource Fund - 0690:					
Awards, Grants, Lump Sums and Other Purposes	\$ 316	\$ -	\$ -	\$ -	\$ 316
Lump Sums and Other Purposes	10	-	-	-	10
Total Private Resource Fund	\$ 326	\$ -	\$ -	\$ -	\$ 326
U.S.D.A. Women Infants and Children Fund - 0700:					
Awards and Grants	\$ 1,400	\$ 1,129	\$ 121	\$ 1,250	\$ 150
Awards, Grants, Lump Sums and Other Purposes	70,549	44,274	7,152	51,426	19,123
Employer Contributions for Group Insurance	48	15	1	16	32
Contractual Services	117	56	5	61	56
Medical Preparation and Food Supplies for Free Distribution	251,000	178,404	6,800	185,204	65,796
Other Refunds	200	-	-	-	200
Personal Services	237	132	5	137	100
Retirement	128	68	3	71	57
State Contributions for Social Security	18	10	-	10	8
Total U.S.D.A. Women Infants and Children Fund	\$ 323,697	\$ 224,088	\$ 14,087	\$ 238,175	\$ 85,522
Hunger Relief Fund - 0706:					
Awards and Grants	\$ 300	\$ -	\$ -	\$ -	\$ 300
Total Hunger Relief Fund	\$ 300	\$ -	\$ -	\$ -	\$ 300

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Community Mental Health Medicaid Trust Fund - 0718:					
Awards, Grants, Lump Sums and Other Purposes	\$ 92,902	\$ 47,057	\$ 924	\$ 47,981	\$ 44,921
Total Community Mental Health Medicaid Trust Fund	\$ 92,902	\$ 47,057	\$ 924	\$ 47,981	\$ 44,921
Tobacco Settlement Recovery Fund - 0733:					
Awards and Grants	\$ 250	\$ -	\$ -	\$ -	\$ 250
Awards, Grants, Lump Sums and Other Purposes	1,139	-	-	-	1,139
Total Tobacco Settlement Recovery Fund	\$ 1,389	\$ -	\$ -	\$ -	\$ 1,389
Local Initiative Fund - 0762:					
Awards, Grants, Lump Sums and Other Purposes	\$ 22,729	\$ 14,953	\$ 2,552	\$ 17,505	\$ 5,224
Contractual Services	25	13	1	14	11
Total Local Initiative Fund	\$ 22,754	\$ 14,966	\$ 2,553	\$ 17,519	\$ 5,235
Rehabilitation Services Elementary and Secondary Education Act Fund - 0798:					
Lump-Sum Operations	\$ 1,384	\$ 596	\$ 76	\$ 672	\$ 712
Total Rehabilitation Services Elementary and Secondary Education Act Fund	\$ 1,384	\$ 596	\$ 76	\$ 672	\$ 712
Dram Shop Fund - 0821:					
Awards, Grants, Lump Sums and Other Purposes	\$ 2,300	\$ 173	\$ 288	\$ 461	\$ 1,839
Total Dram Shop Fund	\$ 2,300	\$ 173	\$ 288	\$ 461	\$ 1,839
Farmers' Market Shelter and Services Fund - 0864:					
Awards, Grants, Lump Sums and Other Purposes	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Total Farmers' Market Shelter and Services Fund	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Domestic Violence Shelter and Service Fund - 0865:					
Awards, Grants, Lump Sums and Other Purposes	\$ 952	\$ 440	\$ 84	\$ 524	\$ 428
Total Domestic Violence Shelter and Service Fund	\$ 952	\$ 440	\$ 84	\$ 524	\$ 428

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Maternal and Child Health Services Block Grant Fund - 0872:					
Awards, Grants, Lump Sums and Other Purposes	\$ 9,401	\$ 1,283	\$ 1,057	\$ 2,340	\$ 7,061
Contractual Services	40	-	-	-	40
Lump-Sum Operations	458	-	-	-	458
Other Refunds	5	-	-	-	5
Total Maternal and Child Health Services Block Grant Fund	\$ 9,904	\$ 1,283	\$ 1,057	\$ 2,340	\$ 7,564
Community Mental Health Services Block Grant Fund - 0876:					
Awards and Grants	\$ 22,367	\$ 15,025	\$ 346	\$ 15,371	\$ 6,996
Commodities	5	-	-	-	5
Contractual Services	119	75	7	82	37
Employer Contributions for Group Insurance	120	78	3	81	39
Equipment	5	-	-	-	5
Personal Services	512	318	15	333	179
Retirement	277	161	7	168	109
State Contributions for Social Security	39	28	1	29	10
Travel	10	6	3	9	1
Total Community Mental Health Services Block Grant Fund	\$ 23,454	\$ 15,691	\$ 382	\$ 16,073	\$ 7,381
Youth Drug Abuse Prevention Fund - 0910:					
Awards and Grants	\$ 530	\$ -	\$ 348	\$ 348	\$ 182
Other Refunds	30	-	-	-	30
Total Youth Drug Abuse Prevention Fund	\$ 560	\$ -	\$ 348	\$ 348	\$ 212
Juvenile Justice Trust Fund - 0911:					
Awards, Grants, Lump Sums and Other Purposes	\$ 4,000	\$ 776	\$ 173	\$ 949	\$ 3,051
Total Juvenile Justice Trust Fund	\$ 4,000	\$ 776	\$ 173	\$ 949	\$ 3,051
DHS Recoveries Trust Fund - 0921:					
Contractual Services	\$ 300	\$ 300	\$ -	\$ 300	\$ -
Lump-Sum Operations	21,263	10,069	875	10,944	10,319
Total DHS Recoveries Trust Fund	\$ 21,563	\$ 10,369	\$ 875	\$ 11,244	\$ 10,319
Total Appropriated Funds	\$ 6,608,369	\$ 4,851,101	\$ 573,818	\$ 5,424,919	\$ 1,183,450

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<u>NON-APPROPRIATED FUNDS</u>					
Vocational Rehabilitation Fund - 0081:					
Refunds of Federal and Other Grants		\$ 2,931	\$ 211	\$ 3,142	
Total Vocational Rehabilitation Fund		<u>\$ 2,931</u>	<u>\$ 211</u>	<u>\$ 3,142</u>	
DHS Special Purposes Trust Fund - 0408:					
Awards, Grants, Lump Sums and Other Purposes		\$ 57	\$ 92	\$ 149	
Total DHS Special Purposes Trust Fund		<u>\$ 57</u>	<u>\$ 92</u>	<u>\$ 149</u>	
Old Age Survivors Insurance Fund - 0495:					
Refunds of Federal and Other Grants		\$ 156	4	160	
Total Old Age Survivors Insurance Fund		<u>\$ 156</u>	<u>\$ 4</u>	<u>\$ 160</u>	
Electronic Benefits Transfer Fund - 0540:					
Awards and Grants		\$ 106,840	-	\$ 106,840	
Total Electronic Benefits Transfer Fund		<u>\$ 106,840</u>	<u>\$ -</u>	<u>\$ 106,840</u>	
DHS Federal Projects Fund - 0592:					
Awards and Grants		\$ 729	\$ 151	\$ 880	
Lump Sums and Other Purposes		-	112	112	
Total DHS Federal Projects Fund		<u>\$ 729</u>	<u>\$ 263</u>	<u>\$ 992</u>	
DHS State Projects Fund - 0642:					
Awards and Grants, Lump Sums and Other Purposes		\$ 10	\$ 567	\$ 577	
Total DHS State Projects Fund		<u>\$ 10</u>	<u>\$ 567</u>	<u>\$ 577</u>	
DHS Private Resources Fund - 0690:					
Lump-Sum Operations		\$ 2	-	\$ 2	
Total DHS Private Resources Fund		<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>	

(Continued)

STATE OF ILLINOIS
 DEPARTMENT OF HUMAN SERVICES
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Expenditure Authority for Fiscal Year 2018
 For the Sixteen Months Ended October 31, 2018
 (expressed in thousands)

<u>PUBLIC ACTS 100-0021 and 100-0586</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2018</u>	<u>Lapse Period Expenditures July 1, 2018 to October 31, 2018</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
DHS Recoveries Trust Fund - 0921:					
Awards and Grants		\$ 1,364	\$ 52	\$ 1,416	
Other Refunds		151	6	157	
Refunds of Federal and Other Grants		2,531	2,170	4,701	
Total DHS Recoveries Trust Fund		<u>\$ 4,046</u>	<u>\$ 2,228</u>	<u>\$ 6,274</u>	
Total Non-Appropriated Funds		<u>\$ 114,771</u>	<u>\$ 3,365</u>	<u>\$ 118,136</u>	
Total All Funds		<u>\$ 4,965,872</u>	<u>\$ 577,183</u>	<u>\$ 5,543,055</u>	

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from Department records as of October 31, 2018, and have been reconciled to State Comptroller records as of November 30, 2018.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2019, 2018 and 2017
(expressed in thousands)

Schedule 3

	Fiscal Year		
	2019	2018	2017
	PA 100-0586 and 101-0007	PA 100-0021 and 100-0586	PA 99-0524, 100-0021 and Court Ordered Expenditures
ALL FUNDS			
Appropriations (net after transfers):	\$ 6,644,287	\$ 6,608,369	\$ 6,976,339
Expenditures:			
Awards and Grants	589,996	576,665	612,655
Awards and Grants to Students	1,068	-	4
Awards, Grants, Lump Sums and Other Purposes	3,704,923	3,511,070	3,579,191
Commodities	149	239	7,555
Contractual Services	14,654	15,510	65,824
Electronic Data Processing	7	-	-
Employer Contributions for Group Insurance	16,699	16,410	18,404
Equipment	1,369	71	278
Funeral and Burial Expenses, Payments to Vendors	3,997	2,198	2,121
Interfund Cash Transfers	-	-	51,000
Lump Sums and Other Purposes	1,025,744	569,180	496,560
Lump-Sum Operations	135,207	559,429	73,085
Medical Preparation and Food Supplies for Free Distribution	177,865	185,204	201,294
Operations of Automotive Equipment	13	16	10
Other Refunds	327	379	534
Permanent Improvements, Lump Sums and Other Purposes	-	-	4,629
Personal Services	58,743	60,901	398,981
Printing	104	164	1,298
Refunds of Federal and Other Grants	6,433	8,003	2,543
Retirement	30,321	31,092	27,107
State Contributions for Social Security	4,598	4,815	29,392
Student, Member or Inmate Compensation	22	-	-
Telecommunications	1,341	1,320	4,492
Tort, Settlements and Similar Payments - Nontaxable	2	-	-
Travel	350	388	812
Total Expenditures	5,773,932	5,543,054	5,577,769
Less Non-Appropriated Expenditures	164,084	118,136	122,183
Appropriated Expenditures	5,609,848	5,424,918	5,455,586
Lapsed Balances	\$ 1,034,439	\$ 1,183,451	\$ 1,520,753
State Officers' Salaries			
Expenditures			
Secretary	\$ 157	\$ 150	\$ 150
Assistant Secretaries	138	128	46
Total Expenditures	\$ 295	\$ 278	\$ 196

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2019, 2018 and 2017
(expressed in thousands)

Notes to the Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances

- Note 1: Expenditures are classified according to major object codes listed in the Statewide Accounting Management System (SAMS) manual and include appropriated and non-appropriated funds.
- Note 2: All data on this schedule was obtained from Comptroller records.
- Note 3: The Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." In addition, SEIU was a plaintiff to this order and the Comptroller was required to pay wages to individual providers covered by SEIU. These included individual providers of Home Services Program and Child Care Home Services Program. In November 2015, the order was amended to cover payments to the SEIU health fund as well.
- Note 4: Public Act 99-524 authorizes the Department to pay FY 2016 costs using its FY 2017 appropriations for non-payroll expenditures. The appropriations from the Commitment to Human Services Fund, Budget Stabilization Fund and General Revenue Fund for the Department were for services incurred by 12/31/2016. The other State funds and federal fund appropriations were for all of FY 2017.
- Note 5: U.S. District Court for the Northern District of Illinois - Eastern Division, required the Illinois Office of the Comptroller to make payments necessary to comply with the following consent decrees and implementation plans: *Stanley Ligas, et. al. vs. Felicia Norwood, et. al.*, (Case No. 05 C 4331); *Bogard vs. Bradley* (99 CV 2414); *Williams vs. Rauner* (05 CV 4673); *Colbert vs. Rauner* (07 CV 4673).
- Note 6: U.S. District Court for the Northern District of Illinois - Eastern Division, required the Illinois Office of the Comptroller to process and make all FY 2016 Medicaid payments to providers statewide who serve Illinois Medicaid patients, including programs administered by the Department of Healthcare and Family Services (DHFS), and Medicaid payments made in programs administered by state agencies other than DHFS (e.g. Medicaid Home and Community Based Services Waiver Program and Early Intervention Program) (*Memisovski vs. Maram* (No 92 C 1982); *Becks vs. Bradley* (No 92 C 4204)).
- Note 7: Circuit Court of Cook County, Illinois County Department, Chancery Division, *People of the State of Illinois vs. Leslie G. Munger* agreed Interim Order (15 H 10243) required the Comptroller to pay for all services, programs, vendors, contractors and state personnel at the level necessary to comply with the consent decrees. Those impacting the Department are: *B.H. vs. Tate*; *Ligas vs. Norwood*; *Benson vs. Blaser*; *Williams vs. Rauner*; *Colbert vs. Rauner*; *Memisovski vs. Wright*.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Fiscal Years Ended June 30, 2018 and 2019**

Schedule 4

	Equipment	Land and Land Improvements	Buildings and Building Improvements	Site Improvements	Capital Lease Equipment	Total
Balance at July 1, 2017	\$ 93,577,664	\$ 3,415,140	\$ 580,303,386	\$ 82,217,198	\$ 705,842	\$ 760,219,230
Additions	6,070,302	-	-	-	458,883	6,529,185
Deletions	3,920,983	-	-	-	123,919	4,044,902
Net Transfers	(1,852,017)	-	13,076,781	-	(342,985)	10,881,779
Balance at June 30, 2018	<u>\$ 93,874,966</u>	<u>\$ 3,415,140</u>	<u>\$ 593,380,167</u>	<u>\$ 82,217,198</u>	<u>\$ 697,821</u>	<u>\$ 773,585,292</u>
Balance at July 1, 2018	\$ 93,874,966	\$ 3,415,140	\$ 593,380,167	\$ 82,217,198	\$ 697,821	773,585,292
Additions	4,423,434	-	53,380	-	1,313,076	5,789,890
Deletions	6,828,511	-	-	-	122,058	6,950,569
Net Transfers	(2,181,603)	-	5,936,836	189,180	(161,061)	3,783,352
Balance at June 30, 2019	<u>\$ 89,288,286</u>	<u>\$ 3,415,140</u>	<u>\$ 599,370,383</u>	<u>\$ 82,406,378</u>	<u>\$ 1,727,778</u>	<u>\$ 776,207,965</u>

Note: This schedule has been reconciled to property reports (C-15 Agency Report of State Property) submitted to the Office of the State Comptroller.

This summary schedule was prepared using State property records required by the Illinois Administrative Code (Code). The capitalization policy in the Code is different than the capitalization policy established by the Office of the State Comptroller for financial reporting in accordance with generally accepted accounting principles.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2018, AND 2017
(expressed in thousands)

Schedule 5

	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Revenue Fund - 0001			
Miscellaneous collections from facilities/General Office	\$ 170	\$ 315	\$ 538
Reimbursement - Emergency Revolving Fund, jury duty, locally held funds, petty cash and miscellaneous	380	259	285
Federal - U.S. Dept. of HHS - Refugee Entrants Program	601	895	4,820
Federal - U.S. Department of Health and Human Services	122	64	58
Federal - U.S. Department of Agriculture - Food Stamps	97,701	88,423	90,842
Federal - U.S. Department of Justice	13	61	67
Federal - USDA Supplies/Commodities	51	251	170
Original and renewal license fees	107	97	57
State offset claims	191	200	1,800
Funeral and Burial Recoveries	3	2	4
Federal - Temporary Assistance to Needy Families grant	91,332	156,279	60,000
Refugee Entrants Program	3	6	5
Total General Revenue Fund	<u>190,675</u>	<u>246,852</u>	<u>158,646</u>
Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013			
Federal - U.S. Department of Health and Human Services	46,181	52,189	67,837
Total Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund	<u>46,181</u>	<u>52,189</u>	<u>67,837</u>
Group Home Loan Revolving Fund - 0025			
Loan repayment	<u>17</u>	<u>11</u>	<u>14</u>
Mental Health Fund - 0050			
Miscellaneous collections from facilities/General Office	2	1	1
Patient care reimbursements and miscellaneous collections	16,991	15,549	16,896
Other Illinois State Agencies and local units	4,013	3,029	4,270
Federal - Medicare Part D	6,193	7,116	7,182
Total Mental Health Fund	<u>27,199</u>	<u>25,695</u>	<u>28,349</u>
Vocational Rehabilitation Fund - 0081			
Randolph Sheppard vendors	110	144	66
Federal - U.S. Department of Education	97,380	98,233	112,312
Federal - U.S. Department of Health and Human Services	8,196	11,178	7,534
Federal - Indirect cost reimbursements	4,994	1,747	2,659
Reimbursement/Recovery - jury duty, repayments due to law	1	-	2
Miscellaneous	5	1	1
Total Vocational Rehabilitation Fund	<u>110,686</u>	<u>111,303</u>	<u>122,574</u>
Hansen-Therkelsen Memorial Deaf Student College Fund - 0123			
Loan repayments	<u>5</u>	<u>2</u>	<u>5</u>
Survivors of Human Trafficking Fund - 0132			
Circuit Clerk - Fines and Violations	<u>3</u>	<u>1</u>	<u>1</u>
DHS Technology Initiative Fund - 0211			
DHS Recoveries Trust Fund	-	-	1,175
Other Illinois State Agencies - Framework program	232	79	1,441
Total DHS Technology Initiative Fund	<u>232</u>	<u>79</u>	<u>2,616</u>
DCFS Children's Services Fund - 0220			
Federal - Temporary Assistance to Needy Families grant	<u>68,800</u>	<u>68,800</u>	<u>68,800</u>
Income Tax Refund Fund - 0278			
Federal - Temporary Assistance to Needy Families grant	<u>89,499</u>	<u>68,877</u>	<u>46,034</u>
Employment and Training Fund - 0347			
Federal - Temporary Assistance to Needy Families grant	<u>263,135</u>	<u>314,704</u>	<u>397,510</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2018, AND 2017
(expressed in thousands)

Schedule 5

	<u>2019</u>	<u>2018</u>	<u>2017</u>
DHS Special Purposes Trust Fund - 0408			
Federal - U.S. Department of Health and Human Services	\$ 7,664	\$ 8,632	\$ 8,750
Federal - U.S. Department of Agriculture - multiple grants	21,902	25,636	19,493
Federal - U.S. Department of Education - Illinois State Board of Education	-	3,493	9,851
Federal - U.S. Dept. HHS - Family Violence Prevention and Services	3,196	3,155	3,040
Federal - U.S. Dept. HHS - Refugee Entrant Assistance	5,429	4,994	6,879
Federal - U.S. Dept. HHS - Child Care and Development	280,619	240,367	188,075
Federal - Migrant Head Start grant	2,676	2,650	2,546
Other Illinois State Agency - Illinois State Board of Education	-	2,600	-
Private organizations	-	-	67
Total DHS Special Purposes Trust Fund	<u>321,486</u>	<u>291,527</u>	<u>238,701</u>
Old Age Survivors Insurance Fund - 0495			
Federal - U.S. Department of Health and Human Services	<u>71,700</u>	<u>74,112</u>	<u>77,584</u>
Early Intervention Services Revolving Fund - 0502			
General Revenue Fund Transfer	106,038	112,219	64,500
Federal - U.S. Department of Education	17,203	20,323	13,855
Parent fees	4,843	4,799	4,511
State offset claims	8	9	15
Other Illinois State Agency - Illinois Dept. of Healthcare and Family Services	35	157	-
Repayment pursuant to law	3	1	5
Total Early Intervention Services Revolving Fund	<u>128,130</u>	<u>137,508</u>	<u>82,886</u>
DHS Community Services Fund - 0509			
State offset claims	29	-	-
Other Illinois State Agencies - Illinois Dept. of Healthcare and Family Services and the Illinois Dept. of Aging	<u>3,731</u>	<u>5,697</u>	<u>3,000</u>
Total DHS Community Services Fund	<u>3,760</u>	<u>5,697</u>	<u>3,000</u>
Electronic Benefits Transfer Fund - 0540			
Other Agency funds - Aid to the Aged, Blind, and Disabled (AABD)	25,839	24,601	21,559
Other Agency funds - Aid to Families with Dependent Children (AFDC)	82,961	80,339	92,164
Other Agency funds - Employability Development Services	10,642	1,456	1,989
Other Agency funds - Refugee	283	419	1,310
Other Agency funds - Food Stamp Employment and Training	99	25	12
Total Electronic Benefits Transfer Fund	<u>119,824</u>	<u>106,840</u>	<u>117,034</u>
Juvenile Accountability Incentive Block Grant Fund - 0581			
State offset claims	<u>-</u>	<u>11</u>	<u>-</u>
DHS Federal Projects Fund - 0592			
Federal - U.S. Department of Health and Human Services	10,282	9,661	8,564
Federal - U.S. Department of Housing and Urban Development	6,181	3,305	4,329
Federal - U.S. Department of Justice	458	246	201
Private organizations or individuals	168	172	137
Total DHS Federal Projects Fund	<u>17,089</u>	<u>13,384</u>	<u>13,231</u>
DHS State Projects Fund - 0642			
Other Illinois State Agency - Illinois Department of Commerce and Economic Opportunity	-	-	10,000
Parker Doan Charitable Trust	40	-	-
Total DHS State Projects Fund	<u>40</u>	<u>-</u>	<u>10,000</u>
Commitment to Human Services Fund - 0644			
State offset claims	83	14	-
General Revenue Fund	<u>-</u>	<u>40,000</u>	<u>11,000</u>
Total Commitment to Human Services Fund	<u>83</u>	<u>40,014</u>	<u>11,000</u>
Alcoholism and Substance Abuse Fund - 0646			
Federal - U.S. Department of Health and Human Services	22,223	14,808	7,189
Other Illinois State Agency - Illinois Department of Revenue	15	14	28
Private organizations or individuals	135	135	169
Total Alcoholism and Substance Abuse Fund	<u>22,373</u>	<u>14,957</u>	<u>7,386</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2018, AND 2017
(expressed in thousands)

Schedule 5

	<u>2019</u>	<u>2018</u>	<u>2017</u>
DHS Private Resources Fund - 0690			
Private organizations or individuals	\$ 9	\$ 16	\$ 121
U.S.D.A. Women Infants and Children Fund - 0700			
Federal - U.S. Department of Agriculture	168,872	172,035	184,790
WIC Recovered Funds	-	2	-
Indirect Cost Reimbursement	941	-	-
WIC program vendors	45	26	27
Infant formula rebates	63,586	65,172	68,641
State offset claims	-	-	1
Total U.S.D.A. Women Infants and Children Fund	<u>233,444</u>	<u>237,235</u>	<u>253,459</u>
Tobacco Settlement Recovery Fund - 0733			
USDHHS - Multi Grants	<u>376</u>	<u>-</u>	<u>-</u>
Rehabilitation Services Elementary and Secondary Education Act Fund - 0798			
Federal - U.S. Department of Agriculture - Illinois State Board of Education	-	24	123
Federal - U.S. Department of Education - Illinois State Board of Education	-	149	266
Local governments - School district	374	281	304
Private organizations or individuals	-	1	-
Other Illinois State Agency - Illinois State Board of Education	416	310	7
Total Rehabilitation Services Elementary and Secondary Education Act Fund	<u>790</u>	<u>765</u>	<u>700</u>
Grant V. Dimas Escrow Fund - 0818			
Court Dist/Home Serv 48- GRF	<u>16,216</u>	<u>15,275</u>	<u>-</u>
Dram Shop Fund - 0821			
Health and Human Services	<u>542</u>	<u>-</u>	<u>-</u>
Maternal and Child Health Services Block Grant Fund - 0872			
Federal - U.S. Department of Health and Human Services Block Grant	1,060	2,036	2,640
Total Maternal and Child Health Services Block Grant Fund	<u>1,060</u>	<u>2,036</u>	<u>2,640</u>
Community Mental Health Services Block Grant Fund - 0876			
Federal - U.S. Department of Health and Human Services Block Grant	23,091	15,698	18,825
Total Community Mental Health Services Block Grant Fund	<u>23,091</u>	<u>15,698</u>	<u>18,825</u>
Youth Drug Abuse Prevention Fund - 0910			
Fines, penalties or violations	<u>274</u>	<u>256</u>	<u>312</u>
Juvenile Justice Trust Fund - 0911			
Federal - U.S. Department of Justice	<u>1,127</u>	<u>1,321</u>	<u>1,488</u>
DHS Recoveries Trust Fund - 0921			
IRS collections non-public assistance clients	7,021	6,888	7,141
Recipient collection - administrative support	300	281	342
Recipient collection - excess assistance	2,615	2,903	4,158
Recipient collection - food stamp	3,742	4,443	4,311
Non-medical	771	490	371
State offset claims	710	618	593
Federal - U.S. Dept. of HHS - Supplemental Security Income Interim Assistance	1,154	1,381	1,419
Federal - Indirect cost reimbursements	-	79	198
Total DHS Recoveries Trust Fund	<u>16,313</u>	<u>17,083</u>	<u>18,533</u>
Social Services Block Grant Fund - 0935			
Federal - U.S. Dept. of Health and Human Services - Title XX Block Grant	102,582	21,526	52,138
Federal - Temporary Assistance to Needy Families Grant	1,500	1,200	1,200
Total Social Services Block Grant Fund	<u>104,082</u>	<u>22,726</u>	<u>53,338</u>
Total Receipts Per Department Records	<u>\$ 1,878,241</u>	<u>\$ 1,884,974</u>	<u>\$ 1,802,624</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

Schedule 6

(expressed in thousands)

	General Revenue Fund - 0001	Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013	Group Home Loan Revolving Fund - 0025	Mental Health Fund - 0050	Vocational Rehabilitation Fund - 0081	Hansen- Therkelsen Memorial Deaf Student College Fund - 0123
TOTAL 2019 RECEIPTS PER DEPARTMENT RECORDS	\$ 190,675	\$ 46,181	\$ 17	\$ 27,199	\$ 110,686	\$ 5
Deposits in transit, beginning of period	53	-	-	1,172	-	-
Deposits in transit, end of period	(18)	-	(1)	(1,415)	-	-
Adjustments to be made to Department records - miscellaneous	(2)	-	-	4	-	-
TOTAL 2019 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 190,708</u>	<u>\$ 46,181</u>	<u>\$ 16</u>	<u>\$ 26,960</u>	<u>\$ 110,686</u>	<u>\$ 5</u>
TOTAL 2018 RECEIPTS PER DEPARTMENT RECORDS	\$ 246,852	\$ 52,189	\$ 11	\$ 25,695	\$ 111,303	\$ 2
Deposits in transit, beginning of period	28	-	-	888	-	-
Deposits in transit, end of period	(48)	-	-	(1,169)	-	-
Adjustments to be made to Department records - miscellaneous	1	-	-	1	-	-
TOTAL 2018 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 246,833</u>	<u>\$ 52,189</u>	<u>\$ 11</u>	<u>\$ 25,415</u>	<u>\$ 111,303</u>	<u>\$ 2</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

Schedule 6

(expressed in thousands)

	Survivors Human Trafficking Fund - 0132	DHS Technology Initiative Fund - 0211	DCFS Children's Services Fund - 0220	Income Tax Refund Fund - 0278	Employment and Training Fund - 0347
TOTAL 2019 RECEIPTS PER DEPARTMENT RECORDS	\$ 3	\$ 232	\$ 68,800	\$ 89,499	\$ 263,135
Deposits in transit, beginning of period	-	-	-	-	-
Deposits in transit, end of period	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-
TOTAL 2019 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 3</u>	<u>\$ 232</u>	<u>\$ 68,800</u>	<u>\$ 89,499</u>	<u>\$ 263,135</u>
TOTAL 2018 RECEIPTS PER DEPARTMENT RECORDS	\$ 1	\$ 79	\$ 68,800	\$ 68,877	\$ 314,704
Deposits in transit, beginning of period	-	-	-	-	-
Deposits in transit, end of period	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-
TOTAL 2018 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 1</u>	<u>\$ 79</u>	<u>\$ 68,800</u>	<u>\$ 68,877</u>	<u>\$ 314,704</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

Schedule 6

(expressed in thousands)

	DHS Special Purposes Trust Fund - 0408	Old Age Survivors Insurance Fund - 0495	Early Intervention Services Revolving Fund - 0502	DHS Community Services Fund - 0509	Electronic Benefits Transfer Fund - 0540	Juvenile Accountability Incent Fund - 0581
TOTAL 2019 RECEIPTS PER DEPARTMENT RECORDS	\$ 321,486	\$ 71,700	\$ 128,130	\$ 3,760	\$ 119,824	\$ -
Deposits in transit, beginning of period	-	-	(12,600)	-	-	-
Deposits in transit, end of period	-	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	3,346	-	-	-
TOTAL 2019 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 321,486</u>	<u>\$ 71,700</u>	<u>\$ 118,876</u>	<u>\$ 3,760</u>	<u>\$ 119,824</u>	<u>\$ -</u>
TOTAL 2018 RECEIPTS PER DEPARTMENT RECORDS	\$ 291,527	\$ 74,112	\$ 137,508	\$ 5,697	\$ 106,840	\$ 11
Deposits in transit, beginning of period	-	-	(21,219)	-	-	-
Deposits in transit, end of period	-	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	12,692	-	-	-
TOTAL 2018 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 291,527</u>	<u>\$ 74,112</u>	<u>\$ 128,981</u>	<u>\$ 5,697</u>	<u>\$ 106,840</u>	<u>\$ 11</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

Schedule 6

(expressed in thousands)

	DHS Federal Projects Fund - 0592	DHS State Projects Fund - 0642	Commitment to Human Services Fund - 0644	Alcoholism and Substance Abuse Fund - 0646	DHS Private Resources Fund - 0690	U.S.D.A. Women Infants and Children Fund - 0700
TOTAL 2019 RECEIPTS PER DEPARTMENT RECORDS	\$ 17,089	\$ 40	\$ 83	\$ 22,373	\$ 9	\$ 233,444
Deposits in transit, beginning of period	-	-	-	-	1	2
Deposits in transit, end of period	(30)	-	(9)	-	-	(5)
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-	-
TOTAL 2019 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 17,059</u>	<u>\$ 40</u>	<u>\$ 74</u>	<u>\$ 22,373</u>	<u>\$ 10</u>	<u>\$ 233,441</u>
TOTAL 2018 RECEIPTS PER DEPARTMENT RECORDS	\$ 13,384	\$ -	\$ 40,014	\$ 14,957	\$ 16	\$ 237,235
Deposits in transit, beginning of period	-	-	-	-	-	-
Deposits in transit, end of period	-	-	-	-	(1)	(1)
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-	-
TOTAL 2018 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 13,384</u>	<u>\$ -</u>	<u>\$ 40,014</u>	<u>\$ 14,957</u>	<u>\$ 15</u>	<u>\$ 237,234</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

Schedule 6

(expressed in thousands)

	Tobacco Settlement Recovery Fund - 0733	Rehabilitation Services Elementary and Secondary Education Act Fund - 0798	Grant V. Dimas Escrow Fund - 0818	Dram Shop Fund -0821	Maternal and Child Health Services Block Grant Fund - 0872	Community Mental Health Services Block Grant Fund - 0876
TOTAL 2019 RECEIPTS PER DEPARTMENT RECORDS	\$ 376	\$ 790	\$ 16,216	\$ 542	\$ 1,060	\$ 23,091
Deposits in transit, beginning of period	-	7	-	-	-	-
Deposits in transit, end of period	-	(26)	-	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-	-
TOTAL 2019 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 376</u>	<u>\$ 771</u>	<u>\$ 16,216</u>	<u>\$ 542</u>	<u>\$ 1,060</u>	<u>\$ 23,091</u>
TOTAL 2018 RECEIPTS PER DEPARTMENT RECORDS	\$ -	\$ 765	\$ 15,275	\$ -	\$ 2,036	\$ 15,698
Deposits in transit, beginning of period	-	22	-	-	-	-
Deposits in transit, end of period	-	(6)	-	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-	-
TOTAL 2018 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ -</u>	<u>\$ 781</u>	<u>\$ 15,275</u>	<u>\$ -</u>	<u>\$ 2,036</u>	<u>\$ 15,698</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

Schedule 6

(expressed in thousands)

	Youth Drug Abuse Prevention Fund - 0910	Juvenile Justice Trust Fund - 0911	DHS Recoveries Trust Fund - 0921	Social Services Block Grant Fund - 0935	Total All Funds
TOTAL 2019 RECEIPTS PER DEPARTMENT RECORDS	\$ 274	\$ 1,127	\$ 16,313	\$ 104,082	\$ 1,878,241
Deposits in transit, beginning of period	15	-	423	-	(10,927)
Deposits in transit, end of period	(9)	-	(444)	-	(1,957)
Adjustments to be made to Department records - miscellaneous	-	-	5	-	3,353
	<u>280</u>	<u>1,127</u>	<u>16,297</u>	<u>104,082</u>	<u>1,868,710</u>
TOTAL 2019 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 280</u>	<u>\$ 1,127</u>	<u>\$ 16,297</u>	<u>\$ 104,082</u>	<u>\$ 1,868,710</u>
TOTAL 2018 RECEIPTS PER DEPARTMENT RECORDS	\$ 256	\$ 1,321	\$ 17,083	\$ 22,726	\$ 1,884,974
Deposits in transit, beginning of period	-	-	143	-	(20,138)
Deposits in transit, end of period	(15)	-	(285)	-	(1,525)
Adjustments to be made to Department records - miscellaneous	-	-	-	-	12,694
	<u>241</u>	<u>1,321</u>	<u>16,941</u>	<u>22,726</u>	<u>1,876,005</u>
TOTAL 2018 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 241</u>	<u>\$ 1,321</u>	<u>\$ 16,941</u>	<u>\$ 22,726</u>	<u>\$ 1,876,005</u>

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
FUND BALANCE (CASH BASIS) - LOCALLY HELD FUNDS
For the Years Ended June 30, 2019 and 2018

Schedule 7

	2019	2018
<u>DHS Other Special Trusts Fund - 1139</u>		
Beginning Balance	\$ 874,421	\$ 982,563
Receipts	619,592	573,241
Disbursements	(702,045)	(681,383)
Ending Balance	<u>\$ 791,968</u>	<u>\$ 874,421</u>
<u>DHS Commissary Funds Fund - 1140</u>		
Beginning Balance	\$ 8,297	\$ 8,496
Receipts	49,945	54,704
Disbursements	(49,137)	(54,903)
Ending Balance	<u>\$ 9,105</u>	<u>\$ 8,297</u>
<u>DHS Resident's Trust Fund - 1143</u>		
Beginning Balance	\$ 2,986,990	\$ 2,268,532
Receipts	15,355,380	14,995,610
Disbursements	(15,324,306)	(14,277,152)
Ending Balance	<u>\$ 3,018,064</u>	<u>\$ 2,986,990</u>
<u>DHS Rehabilitation Fund - 1144</u>		
Beginning Balance	\$ 61,387	\$ 53,633
Receipts	245,617	232,750
Disbursements	(238,507)	(224,996)
Ending Balance	<u>\$ 68,497</u>	<u>\$ 61,387</u>
<u>DHS/DORS Agency Fund - 1147</u>		
Beginning Balance	\$ 6,374	\$ (16,583)
Receipts	221,546	223,462
Disbursements	(223,734)	(200,505)
Ending Balance	<u>\$ 4,186</u>	<u>\$ 6,374</u>
<u>DHS/DORS Special Revenue Fund - 1149</u>		
Beginning Balance	\$ 176,091	\$ 194,615
Receipts	420,063	373,434
Disbursements	(428,598)	(391,958)
Ending Balance	<u>\$ 167,556</u>	<u>\$ 176,091</u>
<u>DHS/DORS Permanent Trust Fund - 1150</u>		
Beginning Balance	\$ 422,742	\$ 395,945
Receipts	28,499	30,146
Disbursements	(5,718)	(3,349)
Ending Balance	<u>\$ 445,523</u>	<u>\$ 422,742</u>
<u>Living Skills Program Fund - 1214</u>		
Beginning Balance	\$ 34,904	\$ 29,879
Receipts	107,839	107,820
Disbursements	(121,415)	(102,795)
Ending Balance	<u>\$ 21,328</u>	<u>\$ 34,904</u>

(Continued)

STATE OF ILLINOIS
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Schedule 7

	2019	2018
<u>Food Stamp and Commodity Fund - 1245</u>		
Beginning Balance	\$ -	\$ -
Receipts	2,691,634,334	2,852,581,539
Disbursements	(2,691,634,334)	(2,852,581,539)
Ending Balance	<u>\$ -</u>	<u>\$ -</u>
<u>Patient's Travel Trust Fund - 1247</u>		
Beginning Balance	\$ 31,855	\$ 34,869
Receipts	92,533	75,474
Disbursements	(94,888)	(78,488)
Ending Balance	<u>\$ 29,500</u>	<u>\$ 31,855</u>
<u>Women Infant and Children Redemption Fund - 1271</u>		
Beginning Balance	\$ 453,943	\$ 5,978,805
Receipts	132,639,765	133,141,183
Disbursements	(126,720,948)	(138,666,045)
Ending Balance	<u>\$ 6,372,760</u>	<u>\$ 453,943</u>
<u>Burr Request Fund - 1272</u>		
Beginning Balance	\$ 999,934	\$ 994,721
Receipts	21,258	11,871
Disbursements	(9,075)	(6,658)
Ending Balance	<u>\$ 1,012,117</u>	<u>\$ 999,934</u>
<u>Emergency Revolving Fund - 1346</u>		
Beginning Balance	\$ 120,972	\$ 124,280
Receipts	2,723	1,560
Disbursements	(1,198)	(4,868)
Ending Balance	<u>\$ 122,497</u>	<u>\$ 120,972</u>
<u>Vending Facility Program for the Blind Fund - 1385</u>		
Beginning Balance	\$ 182,454	\$ 256,044
Receipts	1,483,313	1,318,600
Disbursements	(1,458,980)	(1,392,190)
Ending Balance	<u>\$ 206,787</u>	<u>\$ 182,454</u>
<u>Hansen-Therkelson Memorial Trust Fund - 1409</u>		
Beginning Balance	\$ -	\$ -
Receipts	1,077,932	-
Disbursements	(21)	-
Ending Balance	<u>\$ 1,077,911</u>	<u>\$ -</u>

(Concluded)

Note: This schedule is presented on the cash basis of accounting.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
DEPARTMENT FUNCTIONS AND PLANNING PROGRAM
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(Unaudited)**

INTRODUCTION

Illinois House Bill 2632 created the Illinois Department of Human Services (Department) which on July 1, 1997 consolidated the Departments of Alcoholism and Substance Abuse, Mental Health, Developmental Disabilities and Rehabilitation Services, along with the client-centered services provided through the Departments of Children and Family Services, Healthcare and Family Services and Public Health. The Department established as its primary mission to assist Illinois residents to achieve self-sufficiency, independence and health, to the maximum extent possible, by providing integrated family-oriented services, promoting prevention and establishing measurable outcomes, in partnerships with communities. The current Secretary for the Department of Human Services is Grace Hou.

The Department's mission is carried out through the following divisions: Substance Use Prevention and Recovery, Developmental Disabilities, Family and Community Services, Mental Health and Rehabilitation Services. The Department of Human Services is the largest agency in the State of Illinois with a headcount of 12,703.6 as of June 30, 2019.

The Department's Mission Statement

Providing equitable access to social/human services, supports, programs and resources to enhance the lives of all who we serve.

The Department's Vision Statement

All people in Illinois achieve their full potential.

The Department's Values

Human Dignity

Equity

Community Informed

Urgency

Transparency

Kindness

The Department's Goals

- Maximize opportunities for all people to work
- Ensure hungry people and families have access to nutritious food
- Ensure a place to call home for people who are housing unstable or homeless
- Improve access to health care and home supports
- Staff and residents of the Department 24/7 facilities are safe
- Make Illinois the model state for Behavioral Health: including Mental Health Treatment, Substance Use Prevention and Recovery
- Launch and implement equity agenda
- Create a system where young children can thrive

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OFFICE OF THE SECRETARY

The Office of the Secretary oversees the Department's five program divisions (Developmental Disabilities; Family & Community Services; Mental Health; Rehabilitation Services; and Substance Use Prevention and Recovery), special initiatives, and operations. The following administrative units report directly to the Office of the Secretary and receive direction from the Chief of Staff: The Offices of Equal Employment Opportunity and Affirmative Action; Communications; General Counsel; Grants Administration; Hispanic and Latino Affairs; Human Resources; Strategy, Equity and Transformation; Inspector General; Internal Audit; Labor Relations; and Legislation. The Office of the Secretary executes department wide decision making and communication.

COMMUNICATIONS

The Office of Communications is charged with outreach to several audiences: staff members, more than 1,700 contracted providers, advocates, trade associations, the business community, legislators, media and the Department's 2.5 million customers. The Office's mission is to promote public awareness and use of the Department's programs and services, and to work with Department divisions to foster relationships of goodwill with Department staff, external partners, customers, and elected officials.

DISABILITY POLICY ADMINISTRATOR

The Disability Policy Administrator serves as the policy administrator and liaison to the Secretary, Department divisions, the Department Bureau of Policy, and other agencies on the Olmstead Consent Decrees. The Administrator reviews policy and procedure and provides recommendations on how to successfully meet federal requirements for consent decrees. In addition, the Administrator determines the viability and practicality of proposed policy, while also providing insight and recommendations on the impact and revisions of existing policies. The Disability Policy Administrator reviews the rules and policies for consent decrees and serves as special project coordinator; designing, administering and evaluating pilot programs.

GENERAL COUNSEL

The Office of the General Counsel (OGC) is subdivided into several areas. The structure of the OGC, where possible, mirrors the organizational structure of the Department and includes representation as "in-house" counsel to the programmatic and administrative areas. Responsibilities for the Freedom of Information Act (FOIA) Officer, the Ethics Officer, the Chief EEO/AA Officer, and the Legal Privacy Officer for the Department are also housed within the OGC.

Bureau of Hearings: The Bureau of Hearings is responsible for maintaining a system of administrative appeals to ensure the Department's compliance with the administrative hearings provisions of the Illinois Administrative Procedure Act. These hearings pertain to all Department program areas (other than the Division of Development Disabilities whose appeals are heard by the Department of Healthcare and Family Services), including public assistance, and services for mental health, rehabilitation, and alcohol and substance abuse.

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Bureau of Administrative Rules: The Bureau of Administrative Rules is responsible for maintaining the Department's compliance with the administrative rulemaking provisions of the Illinois Administrative Procedures Act. It works with the program areas to propose, amend, and repeal administrative rules as necessary to properly implement all Department programs. It also works closely with staff of the General Assembly's Joint Committee on Administrative Rules (JCAR) to ensure conformance to its policies and procedures.

The *Bureau of Policy and the Bureau of Civil Affairs* are also part of the OGC. The Bureau of Civil Affairs strives to create an environment free from discrimination, retaliation, sexual harassment, and harassment for both Department employees and Department customers. Through its investigations, the Bureau ensures adherence to Federal and State non-discrimination and anti-harassment laws. The Bureau is also responsible for compiling the Department's annual Affirmative Action Plan for the Illinois Department of Human Rights as well as ensuring that all Department hires and promotions meet the guidelines enumerated in both Federal and State laws. The Bureau also provides technical assistance to Department staff and provides counsel on recruiting and retention to ensure that the agency has a diverse workforce.

The *Bureau of Policy* assists in the development of Administrative Directives and Program Directives by working with staff from all parts of the Department. The Bureau oversees the drafting of the Directives and coordinates their review and approval.

HEALTHCARE AND HUMAN SERVICES LIAISON

The Healthcare & Human Services Liaison serves as the liaison between the Department and the Governor's Office on matters related to healthcare and human services. The liaison advises on and implements healthcare and human services policy and procedures, as well as uses research and analysis to recommend new approaches to improve areas of need. By networking and communicating with various external organizations the liaison provides input on best practices and effective policies and advocates for streamlined procedures to the benefit of customers.

INTERNAL AUDIT

The Office of Internal Audit (OIA) is mandated by the Fiscal Control and Internal Auditing Act (30 ILCS 10). OIA performs internal audits of the Department's various programs and operations. The two-year audit plan is developed annually by the Chief Internal Auditor based on a documented risk assessment and is approved by the Department Secretary no later than June 30th. The OIA promotes a proactive risk control environment based on accountability, professionalism, expertise, open communication and trust. OIA's primary objective is to provide management with the information needed to effectively discharge their responsibilities. The Chief Internal Auditor reports to the Department's Secretary.

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INSPECTOR GENERAL

The Office of the Inspector General (OIG) is an independent investigative body that is statutorily responsible for investigating allegations regarding the abuse, neglect and financial exploitation of adults who reside in (1) state-operated Mental Health (MH) and Developmental Disability (DD) facilities or (2) programs operated by local community agencies that are licensed, certified or funded by the Department to provide mental health or developmental disability services. Through these investigations, OIG helps ensure the health, safety, and well-being of individuals who have mental illnesses and developmental disabilities. OIG also conducts annual site visits of the Department's 14 MH and DD facilities. Following these site visits, OIG issues reports to the facilities that contain OIG's findings and recommendations as to how the facilities can potentially prevent abuse and neglect. In addition, the reports assess whether the facilities complied with OIG's previous recommendations.

JUVENILE JUSTICE COMMISSION

The main duties of this office are to serve as the liaison between the Illinois Juvenile Justice Commission (IJJC), the Department of Human Services and the federal Office of Juvenile Justice and Delinquency Prevention (OJJDP). The IJJC is tasked with ensuring the State of Illinois' compliance with the core requirements of the Juvenile Justice and Delinquency Prevention Act; a.) De-institutionalization of Status Offenders; b.) Adult Jail and Lock-Up Removal; c.) Sight and Sound Separation and d.) the reduction of Disproportionate Minority Contact. This office provides administrative support to the IJJC and facilitates the IJJC's strategic planning for the integration and coordination of programs to ensure compliance. This office serves as the policy-making official by conceptualizing, developing and implementing program services, including establishing policy and practice for substance abuse, mental health, sex offender and gender specific programs for justice involved youth.

STATEWIDE HOUSING COORDINATOR & EMPLOYMENT FIRST COORDINATOR

The Statewide Housing Coordinator & Employment First Coordinator creates, directs and implements the program policy, procedures and practices related to the Statewide Housing Program and the Employment First Program. In addition, the Statewide Housing & Employment First coordinator establishes the long-term plans for the program and collaborates with providers, federal agencies, and other state agencies to achieve the goals of transitioning persons with disabilities from institutional settings to community-based services and increasing employment options for people with disabilities. The Coordinator also networks across a wide range of organizations to assure the availability of vital services and supports that help individuals successfully integrate into the community and obtain employment.

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STRATEGY, EQUITY AND TRANSFORMATION

The Office of Strategy, Equity and Transformation (OSET) works to ensure that the Department has an equity lens and strategy as it relates to access to services, processes and partners. The office collaborates with all divisions of the Department to develop strategy and align innovation and execution to deliver on outcomes. Specifically, OSET is responsible for the Department's strategic plan which includes the mission, vision and values; key strategies; and specific initiatives and goals. The office also leads and facilitates the agency-wide strategy development and performance management process. The Chief Results Officer works closely with the Governor's Office, external partners, and across departments to advance the implementation of *Budgeting for Results (BFR)*. The office is also responsible for a variety of mandated reports. Ombudsman and stakeholder engagement are also overseen by this office. Ombudsman focuses on the improvement of customer service and systems. Stakeholder engagement works to increase transparency, relationship building and information sharing.

SYSTEM TRANSFORMATION

System Transformation leads and facilitates the transformation of agency wide support services to the public and private sectors in accordance with national and federal recommendations and standards. This office is responsible for establishing guidelines for the Department health care services in consultation with other agencies and providers in the delivery of the Department supportive services. Interacts with other state agencies, local governments and non-profit organizations to address issues that impact individuals receiving supportive services; serves as the overall authority by broadening the focus beyond the Department services.

OFFICE OF THE CHIEF OF STAFF

GRANTS

The primary function of the Office of Grants Administration (OGA) includes the timely identification and acquisition of non-General Revenue Fund funding opportunities for the expansion and enhancement of human services delivery throughout the State of Illinois. The OGA also develops and maintains processes and web-based technologies that support identification of and application for funding and provides support and technical assistance to the Department division staff and external partners in the pursuit of public and private dollars to support the mission of the agency.

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HISPANIC AND LATINO AFFAIRS

The Office of Hispanic/Latino Affairs (OHLA) is largely defined by the tasks mandated in the Quinones and Perdomo consent decrees. The Department recognizes the growing Latino population in the State of Illinois and OHLA is committed to evaluating, monitoring and assisting in decision making to maintain Core Human Service plans and integrate Human Services Delivery within the State. OHLA's primary functions are to: maintain and continue building partnerships with Department units, businesses and Community and Faith Based Organizations that service the Hispanic community; translate vital documents, brochures, materials and interpret for the Latino community and Limited English Proficient (LEP) assistance seeking applicants by utilizing the Department's Language Bank. IFRP Partners and OHLA staff assist the Department's Office of Human Resources and Civil Affairs in the recruitment initiatives designed to provide employment information for Hispanic candidates through community outreach in the State of Illinois; and conduct an annual survey/assessment of State-wide Department service delivery offices to ensure that human service delivery access effectively serves the LEP customers.

LEGISLATION

Along with the Secretary, the Department Office of Legislation (OOL) is the primary contact between the Department and members of the Illinois General Assembly, Constitutional Officers, members of Congress, and other legislative bodies. OOL provides direct support to legislators' offices regarding constituent affairs. OOL coordinates the distribution and review of all bills within the Department, ensures proper representation and testimony in committees, and represents the Department's positions to members of the Illinois General Assembly. OOL works closely with the Governor's Office of Legislative Affairs.

OFFICE OF THE ASSISTANT SECRETARY OF OPERATIONS

The Chief Financial Officer, Chief Operations Office, Chief Information Officer/Department of Innovation and Technology, and Office of Human Resources, report directly to the Assistant Secretary of Operations. In addition, the Assistant Secretary of Operations oversees the Office of Contract Administration, Office of Fiscal Services, Office of Budget, Security and Emergency Preparedness, Community Service Enterprise Program, Agency Procurement Office, Office of Business Services and Office of Clinical, Administrative and Program Support through the Assistant Secretary of Operations direct reports.

CHIEF FINANCIAL OFFICER

The Office of the Chief Financial Officer oversees the Budget Office, the Office of Fiscal Services, and the Office of Contract Administration.

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BUDGET

The Office of Budget consists of three bureaus: Operations, Transitional Services, and Community Programs. The Office is responsible for all aspects of the Department's budget development and implementation. The Office works closely with the Secretary, top executive leadership, and each area within the Department to determine budget needs; develops budget briefing documents used throughout the budget process; and works with Governor's Office of Management and Budget and legislative staff to develop appropriation bills. Once the budget is enacted, the Office works closely with each program area and central administrative offices to develop and implement balanced spending plans, and to monitor those plans throughout the fiscal year. The Office is a major contributor to ensuring that spending is within the language and intent of each appropriation line. Office analysts also act as outside financial consultants to program and administrative areas, providing additional insight and guidance on various projects planned or undertaken by the program and administrative areas. To streamline and improve the budget development and implementation process, the Department continues a periodic review of budget issues, which helps identify budget issues sooner, allowing more time to implement management decisions.

CONTRACT ADMINISTRATION

The Office of Contract Administration (OCA) is responsible for assisting program areas in preparing and processing contracts as well as Level I Contract Approval. Recovery of lapsed funds and on-site provider reviews are conducted by OCA to ensure fiscal and administrative compliance. OCA also administers the Central Repository Vault (CRV), a multi-agency portal for providers to upload and store required documentation. OCA oversees the Contract Compliance unit which is responsible for performing desk reviews of the audit/financial reports submitted by the Department-funded community service providers, in accordance with *89 Ill. Adm. Code 507*; analyzing audit/financial reports for compliance with applicable federal, State and Department financial reporting requirements; analyzing budgets for all Department service agreements and analyzing Indirect Cost Rate proposals related to the payment of general and administrative costs paid to Department providers. The OCA GATA Unit facilitates the development of a coordinated, non-redundant process for the provision of effective and efficient oversight of the selection and monitoring of grant recipients, ensuring quality programs, limiting fraud, waste and abuse, and defining the purpose, scope, applicability and responsibilities in the life cycle of a grant from application to closeout and audit.

FISCAL SERVICES

The Office of Fiscal Services (OFS) functions include: the Help Desk and System maintenance for the Consolidated Accounting and Reporting System (CARS) accounting system; the collections of receivables for the Department; expenditure accounting processes; monitoring and reporting on Department disbursements; establishing, reviewing and coordinating expenditure accounting policy, procedures and processes; completion of federal reporting and its related functions; General Accounting; reports from the CARS information warehouse; the contractual payroll schedule and General Revenue Fund processing dates at the Illinois Office of the Comptroller.

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CHIEF INFORMATION OFFICER

The Chief Information Officer oversees the operations of the Department of Innovation & Technology at the Department (DoIT@DHS).

INNOVATION & TECHNOLOGY/DoIT@DHS

DoIT@DHS develops, operates, and maintains information technology and information systems used by the Department.

CHIEF OPERATING OFFICER

The Chief Operating Officer oversees the offices of Business Services, Clinical, Administrative and Program Support, Procurement and the Community Services Enterprise Program (formerly known as the Business Enterprise Program-BEP).

BUSINESS SERVICES

The Office of Business Services (OBS) serves as the Department's primary operations arm, outside of the State-operated facilities. In this role, OBS provides help and assistance in a variety of ways intended to assist the various divisions within the Department in their efforts to be efficient and effective. OBS includes: Bureau of Administrative Services, Bureau of Office Services, Bureau of Administrative Operations, Property/Inventory Control Unit, Security and Emergency Preparedness, and Engineering/Capital Improvement Unit.

CLINICAL, ADMINISTRATIVE AND PROGRAM SUPPORT

The Office of Clinical, Administrative, and Program Support (OCAPS) is composed of two bureaus or organizational units: *The Bureau of Pharmacy and Clinical Support Services (BPCSS)* and the *Bureau of Accreditation, Licensure, and Certification (BALC)*. The Bureau of Pharmacy and Clinical Support Services (BPCSS) is responsible for the provision of pharmacy and laboratory services for inpatients in the facilities operated by the Department under the Divisions of Mental Health and Developmental Disabilities. BPCSS is also responsible for a number of other important programs including chairing the Department Central Office Pharmacy & Therapeutics Committee. The Pharmacy & Therapeutics Committee provides direction for all clinical policy development and oversight of clinical activities including management of the Department formulary. BPCSS administers the electronic Prescription Monitoring Program affecting practitioners who write prescriptions and retailers that dispense Schedule II, III, IV and V controlled substances in the community. BPCSS also administers the Department portion of the FOID background check. The Bureau of Accreditation, Licensure and Certification (BALC) is responsible for the licensure surveys of Community Integrated Living Arrangement (CILA) programs. BALC also conducts certification surveys of Developmental Training (DT) and Community Mental Health Centers (CMHC), and Traumatic Brain Injuries (TBI). BALC monitors compliance with national accreditation requirements for DRS and DMH community agencies.

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(Unaudited)**

COMMUNITY SERVICES ENTERPRISE PROGRAM

The Department has recently established the Community Services Enterprise Program (CSEP) as part of the agency's Chief Operating Officer's Office. This is a new innovative programmatic approach that involves the Department Grantees with the Department Prime Contractors participating in the State of Illinois Business Enterprise Program (BEP). The BEP was created almost forty years ago with the core mission of reducing discrimination and economic barriers for mostly local businesses owned and managed by men of color, women and/or individuals with disabilities interested in becoming contractors doing business with the State of Illinois. The new office of CSEP is designed to facilitate and expand business partnerships and increase employment and economic growth opportunities in communities where the Department clients reside, receive services, work and/or shop. OCSEP operates across the Department executive and senior management offices, divisions and bureaus, and represents the agency on the governor appointed Illinois BEP Council.

PROCUREMENT

The Department's Procurement Office is responsible for the procurement of goods and services to obtain the best total cost value and quality for the State of Illinois. The Office continues to work on greater procurement process efficiencies while trying to reduce costs on the supplies and services. It oversees solicitations in order for the State to receive the best value for taxpayers' money and give the Department better supplies, services and systems. The Office is also responsible for providing training and updated procurement information to Department staff. The Office serves as the point of contact for the Chief Procurement Officer and their designee, the State Purchasing Officer, Executive Ethics Commission, the Procurement Policy Board, the Department of Central Management Services (DCMS) and Governor's Office of Management and Budget (GOMB) in all procurement matters.

HUMAN RESOURCES

The Office of Human Resources (OHR) functions include: Employee Services – responsible for personnel transactions and leave administration; Payroll and Benefits – responsible for the Department's payroll processing, insurance, deferred compensation, Family & Medical Leave Act (FMLA), Victims' Economic Security and Safety Act (VESSA), retirement and compensation issues as well as payroll processing for five other state agencies (Department of Children and Family Services [DCFS], Department of Veterans Affairs [DVA], Department of Corrections [DOC], Department of Juvenile Justice [DJJ], Department of Natural Resources [DNR]), Recruitment and Selection – responsible for recruiting, interviewing and selecting qualified candidates to fill the Department's vacancies; Training and Staff Development – responsible for administration of professional development training, employee assistance, volunteer services, employee recognition, and Ethics training compliance.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
DEPARTMENT FUNCTIONS AND PLANNING PROGRAM
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Unaudited)**

LABOR RELATIONS

The Office of Labor Relations (OLR) functions include as follows: administering the grievance procedure throughout the Department, developing the collective bargaining strategies of the Department including the proposals for the Master Agreement bargaining, negotiating the Department's Supplemental Agreements with the various unions and Labor Relations Training and Contract Administration. The Office of Labor Relations activities include Master Collective Bargaining Agreement Negotiations. The negotiation process involves all the Executive Branch agencies. The size of the Department dictates extensive resource involvement in the creation of the State's proposals and the negotiations of the Master Collective Bargaining Agreement.

OFFICE OF THE ASSISTANT SECRETARY OF PROGRAMS

The Office of the Assistant Secretary of Program Divisions (OAS) is responsible for Department programs and services related to the five program divisions as well as the following key areas: 1.) Implementation cross-divisional projects; 2.) Overseeing Illinois' Census 2020 work; 3) Represent the Department on commissions and advisory councils as identified and/or appointed by the Secretary; 4). Lead the Department divisions in assisting the Department providers and customers in a holistic manner; 5) Ensure that the program divisions have the resources, policies, and support to meet their objectives; 5) Work closely with other state agencies on the Governor's Opioid Task Force and coordinate the Department division work necessary to implement the Department goals and objectives included in the state's Opioid Action Plan.

Division of Developmental Disabilities

The Division of Developmental Disabilities (DDD) has oversight for the Illinois system of programs and services specifically designed for individuals with intellectual and developmental disabilities (I/DD). The Division develops policy and provides technical assistance to support service provision statewide. The Division provides direct services to individuals with developmental disabilities who reside in state-operated developmental centers (SODC), has administrative oversight for private Intermediate Care Facilities for Individuals with Developmental Disabilities (ICF/DD) and Medically Complex facilities for Individuals with Developmental Disabilities (MCDD); and administers three Home & Community Based Services (HCBS) waivers (two for children and one for adults) serving over 22,000 individuals across the state of Illinois. DDD also administers an array of grant funded programs through a competitive NOFO process such as respite services, epilepsy services and autism support.

Individuals who are seeking DD Waiver services are entered into a database called Prioritization for Urgency of Need for Services (PUNS). As funding is available, individuals are selected from PUNS based on their length of time in the Seeking Services category of the database. The purpose of Department-funded support services for persons with developmental disabilities is to maximize informed choice in services and supports and independent living for persons with developmental disabilities, offer and link individuals to appropriate services and supports in the community, thereby enhancing their independence in the major life skill areas. Ultimately this allows the person to continue to reside in their home communities and prevent unnecessary institutionalization.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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ANALYSIS OF OPERATIONS
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(Unaudited)**

Division of Family and Community Services

The Division of Family and Community Services (DFCS) provides various supports to ensure the availability of a safety net for the most vulnerable populations throughout the state of Illinois. DFCS programs are also designed to help families maintain or attain economic independence through a range of work support services. Program services are provided in the following areas:

1) Cash assistance; 2) Food and Nutrition (SNAP); 3) Employment and Training Supports; 4) Homelessness and Housing Assistance; 5) Refugee and Immigrant Integration; 6) Child Care Assistance; 7) Early Childhood (Early Intervention, Mental Health Services, Head Start, and Health Families); 8) Maternal and Child Health; 9) Family Nutrition (WIC); 10) Community & Positive Youth Development; 11) Adult Services and Basic Support (Emergency Food Assistance); 12) Long-Term Care; 13) Title XX Social Services Block Grants; 14) Domestic & Sexual Assault Supports; 15) Medical Assistance; and 16) Burial and Funeral.

Division of Mental Health

As the Federally designated State Mental Health Authority (SMHA), the Division of Mental Health (DMH) is responsible for assuring that children, adolescents and adults with or at risk for mental health concerns, have the availability of and access to, recovery-oriented, evidence-based, trauma informed, community-focused publicly-funded mental health services. Service delivery for the DMH is provided through five geographically organized service Regions, specifically Metropolitan Chicago (North, West and South) and Greater Illinois Suburban, North Central, Central and South. Within these five service Regions, service delivery is provided by approximately 207 certified community mental health providers and seven DMH-operated psychiatric hospitals; the State hospitals are comprised of both civil and forensic beds. Through the Regional service structure, the DMH utilizes a fee-for-service mechanism to purchase crisis and psychiatric services, community-based case management and support services, assertive community treatment, and psychosocial rehabilitation programs, and issues contracts for supported and supervised residential services, and permanent supportive housing, among other services.

Division of Rehabilitation Services

The Division of Rehabilitation Services (DRS) operates 45 offices in communities throughout the State, as well as three residential schools serving students with disabilities, and a residential training facility for adults who are blind or visually impaired. The major programs offered through DRS are the Vocational Rehabilitation (VR) program, and the Home Services program (HSP). DRS also administers the Disability Determination Services (DDS) program on behalf of the federal Social Security Administration (SSA). DDS is operationally independent from the rest of the division. Field operations are supervised by two bureaus within the Department - The Bureau of Field Services (BFS) and the Bureau of Blind Services (BBS). The Bureau of Home Services is a separate administrative unit, but the local office staff providing Home Services is supervised through the Bureau of Field Services. Bureau of Blind Services staff are located in several of the same field offices as BFS and HSP staff but are supervised by BBS. The Educational Services unit has supervisory responsibility for staff in the three residential schools for children.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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ANALYSIS OF OPERATIONS
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(Unaudited)**

Division of Substance Use Prevention and Recovery (SUPR)

The Department/SUPR has administrative and regulatory responsibilities for substance use disorder (SUD) intervention and treatment services in Illinois. As the designated lead agency for all SUD intervention and treatment, SUPR is also recognized as the Illinois Single State Authority (SSA) for SUD by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA). As such, SUPR is responsible for development and submission of the annual application for the Federal Substance Abuse Treatment and Prevention Block Grant funding, and the distribution of awarded funds. In accordance with this responsibility and legislative mandate, SUPR is charged with the planning, development, funding, monitoring, and licensing of a statewide system of coordinated prevention, intervention, treatment, and recovery support services. These administrative functions extend to licensing and/or monitoring of over 1000 prevention, intervention, treatment and other recovery support services and to the distribution and monitoring of funds to a subset of these organizations using State of Illinois General Revenue, Medicaid, and other special and discretionary State-regulated sources.

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Unaudited)

Schedules 1 and 2, Schedule of Appropriations, Expenditures and Lapsed Balances, present information by fund and major object code within fund for the fiscal years ended June 30, 2019 and 2018. Schedule 3, Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances, compares expenditures for the Department by major object code for both appropriated funds and nonappropriated funds. The Illinois Department of Human Services' (Department) explanations for significant fluctuations in expenditures greater than \$2,000,000 and 15% of total expenditures in that category as presented in Schedule 3 are detailed below.

Fiscal Year 2019 compared to Fiscal Year 2018

Lump Sums and Other Purposes

Expenditures for Lump Sums and Other Purposes increased in FY 2019 because the Illinois Office of the Comptroller (IOC) used Lump Sums and Other Purposes for the Operations lump sum General Revenue Fund (GRF) appropriation, where as in FY 2018 they coded that line as Lump-Sum Operations.

Lump-Sum Operations

Expenditures for Lump-Sum Operations decreased in FY 2019 because the IOC used Lump Sums and Other Purposes for the Department Operations lump sum GRF appropriation, where as in FY 2018 they coded that line as Lump-Sum Operations.

Fiscal Year 2018 compared to Fiscal Year 2017

Commodities

In FY 2017, IOC established appropriations per court order for drug purchases for residents of the facilities operated by the Department. In FY 2018, the drug purchases were made from Lump-Sum Operations lines.

Contractual Services

In FY 2017, the IOC established contractual appropriations per court order for the operations of state operated developmental centers and the family and community resource centers. In FY 2018, these purchases were made from Lump-Sum Operations lines.

Interfund Cash Transfers

The variance was due to a one-time \$51 million transfer from GRF to the Commitment to Human Services Fund.

Lump-Sum Operations

In FY 2017, IOC established appropriations per court order for Personal Services, Social Security, drugs, telecommunications, permanent improvements and contractual services. In FY 2018, these types of expenditures were paid from Lump-Sum Operations lines.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Unaudited)**

Permanent Improvements, Lump Sums and Other Purposes

In FY 2017, IOC established appropriations per court order for permanent improvement at state operated developmental centers. In FY 2018, these costs were paid from a Lump-Sum Operations line.

Personal Services

In FY 2017, IOC established appropriations per court order for personal services. In FY 2018, the personal services were paid from Lump-Sum Operations lines.

Refunds of Federal and Other Grants

In FY 2017, refunds included two large one-time refunds; the Department had a \$2.9 million refund of a grant to the US Department of Education and a refund of \$1.7 million of a grant to the U.S. Department of Agriculture Food Safety Inspection.

State Contributions for Social Security

In FY 2017, IOC established appropriations per court order for Social Security. In FY 2018, the Social Security for the Department was paid from Lump-Sum Operations line.

Telecommunications

In FY 2017, IOC established appropriations per court order for telecommunication. In FY 2018, telecommunications bills were paid from Lump-Sum Operations line.

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Unaudited)

A summary of cash receipts by fund by source is presented in Schedule 5, Comparative Schedule of Cash Receipts. The Illinois Department of Human Services' (Department) explanations for significant fluctuations in cash receipts greater than \$2,000,000 and 15% of total receipts by type of receipt in each fund as presented in Schedule 5 are detailed below.

Fiscal Year 2019 compared to Fiscal Year 2018

General Revenue Fund (0001)

Receipts for Federal – Temporary Assistance to Needy Families (TANF) grant were less during FY 2019 due to the timing of expenditures and the resulting draw of federal funds. A contributing factor is the timing of award allotments from U.S Department of Health & Human Services TANF Program and the impact of the two-year cyclical award period.

Vocational Rehabilitation Fund (0081)

Receipts for Federal - U.S. Department of Health and Human Services decreased in FY 2019 because the Social Security Administration (SSA) made more determinations on Vocational Rehabilitation (VR) claims for reimbursement under the program income project (Cost Reimbursement and Ticket to Work) during FY 2018. These determinations are not made on a specific schedule; they are done when SSA employees get to them.

Receipts for Federal - Indirect cost reimbursements increased in FY 2019 because the final draw at the end of the FY 2018 grant year was drawn in FY 2019.

Income Tax Refund Fund (0278)

Receipts for Federal – Temporary Assistance to Needy Families grant were higher during FY 2019 due to an increase in Income Tax Refunds and Earned Income Credit due to changes in the indexed tax credit rates for inflation and statutory increases in the state tax credit rate in 35 ILCS 5/212.

Employment and Training Fund (0347)

Receipts for Federal – Temporary Assistance to Needy Families grant were less during FY 2019 due to the timing of expenditures and the resulting draw of federal funds. A contributing factor is the timing of award allotments from U.S Department of Health & Human Services TANF Program and the impact of the two-year cyclical award period.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Unaudited)**

Fiscal Year 2019 compared to Fiscal Year 2018 (Continued)

DHS Special Purposes Trust Fund (0408)

Receipts for Federal - U.S. Department of Agriculture - multiple grants were less in FY 2019 because in FY 2017 there was a budget impasse that resulted in the extension of lapse period until December 31, 2017. The budget impasse affected the timing of expenditures which then resulted in the timing of the FY 2018 receipts at the end of the grant period.

Receipts for Federal – U.S. Department of Education – Illinois State Board of Education decreased because the Race to the Top grant ended during FY 2017 and liquidated during FY 2018 which resulted in no receipts for FY 2019.

Receipts for Federal - U.S. Department HHS - Child Care and Development were higher in FY 2019 due to the increase in the grant award in FY 2018 and because the additional award was not drawn until FY 2019.

Receipts for Other Illinois State Agency - Illinois State Board of Education decreased in FY 2019 due to two one-time grants totaling \$2.6 million that occurred in FY 2018.

Early Intervention Services Revolving Fund (0502)

Receipts for Federal – U.S. Department of Education decreased in FY 2019 due to funds from FY 2017 that were received in FY 2018 causing FY 2018 to be greater than usual.

Electronic Benefits Transfer Fund – (0540)

Receipts for Other Agency funds - Employability Development Services increased in FY 2019 due to changed language in P.A. 100-0587 regarding the amount of TANF stipends. The new language allows for future year stipend amount to increase related to the Federal Poverty Level.

DHS Federal Projects Fund – (0592)

Receipts for Federal – U.S. Department of Housing and Urban Development was higher in FY 2019 because the amount of the FY 2019 grant award increased which resulted in increased expenditures in FY 2019, as well as increased receipts.

Commitment to Human Services – (0644)

Receipts for the General Revenue Fund were less in FY 2019 because of a FY 2018 transfer in due to the budget impasse.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Unaudited)**

Alcoholism and Substance Abuse Fund – (0646)

Receipts for Federal - U.S. Department of Health and Human Services increased from FY 2018 because the Division of Substance Use and Prevention and Recovery (SUPR) added and/or expanded initiatives (programs) in FY 2019.

Community Mental Health Services Block Grant Fund – (0876)

Receipts for Federal – U.S. Department of Health and Human Services Block Grant increased from FY 2018 due to an increase in Federal funding withdrawn for community agency operations.

Social Services Block Grant Fund – (0935)

Receipts for the Federal - U.S. Department of Health and Human Services - Title XX Block Grant increased from FY 2018 because the federal funding for FY 2018 Title XX funds were not released in a timely manner which caused delays in the Department being able to draw in the funds.

Fiscal Year 2018 compared to Fiscal Year 2017

General Revenue Fund (0001)

Receipts for Federal – U.S. Department of HHS - Refugee Entrants Program decreased from FY 2017 due to significant drop in number of refugees arriving in Illinois as well as the timing of the draws.

Receipts for Federal - Temporary Assistance to Needy Families grant increased from FY 2017 due to the timing of expenditures and the resulting draw of federal funds. A contributing factor is the timing of award allotments from U.S Department of Health & Human Services TANF Program and the impact of the two year cyclical award period.

Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund (0013)

Receipts for Federal – U.S. Department of Health and Human Services decreased from FY 2017 due to an over reliance on Fund 0013 due to a lack of general revenue funding. In FY 2018 the reliance on Fund 0013 was lowered due to the need to expend state funds to meet state fund expenditure maintenance of effort requirements as part of the federal regulations.

Vocational Rehabilitation Fund (0081)

Receipts for Federal - U.S. Department of Health and Human Services increased in FY 2018 because the Social Security Administration (SSA) made more determinations on Vocational Rehabilitation (VR) claims for reimbursement under the program income project (Cost Reimbursement and Ticket to Work) during FY 2018. These determinations are not made on a specific schedule; they are done when SSA employees get to them.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Unaudited)**

Fiscal Year 2018 compared to Fiscal Year 2017 (Continued)

Income Tax Refund Fund (0278)

Receipts for Federal – Temporary Assistance to Needy Families grant were higher during FY 2018 due to an increase in Income Tax Refunds and Earned Income Credit due to changes in the indexed tax credit rates for inflation and statutory increases in the state tax credit rate in 35 ILCS 5/212.

Employment and Training Fund (0347)

Receipts for Federal – Temporary Assistance to Needy Families grant were less during FY 2018 due to the timing of expenditures and the resulting draw of federal funds. A contributing factor is the timing of award allotments from U.S Department of Health & Human Services TANF Program and the impact of the two year cyclical award period.

DHS Special Purposes Trust Fund (0408)

Receipts for Federal - U.S. Department of Agriculture - multiple grants were higher in FY 2018 because in FY 2017 there was a budget impasse that resulted in the extension of lapse period until December 31, 2017. The budget impasse affected the timing of expenditures which then resulted in the timing of the FY 2018 receipts at the end of the grant period.

Receipts for Federal – U.S. Department of Education – Illinois State Board of Education decreased in FY 2018 because the Race to the Top grant ended during FY 2017 and liquidated during FY 2018.

Receipts for Federal - U.S. Department HHS - Child Care and Development were higher in FY 2018 because FY 2018 included a higher amount of FY 2017 grant program receipts compared to FY 2016 grant program receipts in FY 2017. In addition, FY 2018 grant program receipts were higher compared to FY 2017 grant program receipts.

Receipts for Other Illinois State Agency - Illinois State Board of Education increased in FY 2018 due to two one-time grants totaling \$2.6 million that occurred in FY 2018.

Early Intervention Services Revolving Fund (0502)

Receipts for the General Revenue Fund Transfer were higher in FY 2018 to support additional caseload. Also, due to timing of deposits, the FY 2018 receipts included some FY 2017 transfers.

Receipts for Federal – U.S. Department of Education increased in FY 2018 as funds from FY 2017 were received in FY 2018 causing FY 2018 to be greater than usual.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Unaudited)**

Fiscal Year 2018 compared to Fiscal Year 2017 (Continued)

DHS Community Services Fund – (0509)

Receipts for the Other Illinois State Agencies - Illinois Department of Healthcare and Family Services and the Illinois Department of Aging were higher in FY 2018 because FY 2018 deposits included \$2.5 million of reimbursement from the Department of Aging.

DHS State Projects Fund – (0642)

Receipts for Other Illinois State Agency - Illinois Department of Commerce and Economic Opportunity (DCEO) decreased in FY 2018 because a grant was received in FY 2017 from DCEO for energy conservation at Ludeman Developmental Center.

Commitment to Human Services Fund – (0644)

Receipts for the General Revenue Fund were higher in FY 2018 because of a one-time FY 2018 transfer in due to the budget impasse.

Alcoholism and Substance Abuse Fund – (0646)

Receipts for Federal - U.S. Department of Health and Human Services increased from FY 2017 because Prevention joined the Division of Substance Use and Prevention and Recovery (SUPR) (formerly Division of Alcoholism and Substance Abuse (DASA)) and a number of Prevention programs were included in Fund 0646.

Grant V. Dimas Escrow Fund – (0818)

Receipts for Court Dist/Home Serv 48- GRF increased from FY 2017 because this fund was an escrow set up in FY 2018 for back wages to home services providers, which were paid in FY 2019.

Community Mental Health Services Block Grant Fund – (0876)

Receipts for Federal – U.S. Department of Health and Human Services Block Grant decreased from FY 2017 due to a reduction in Federal funding withdrawn for community agency operations.

Social Services Block Grant Fund – (0935)

Receipts for the Federal - U.S. Department of Health and Human Services - Title XX Block Grant decreased from FY 2017 because the federal funding for FY 2018 Title XX funds were not released in a timely manner which caused delays in the Department being able to draw in the funds.

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Expressed in thousands)
(Unaudited)**

The Illinois Department of Human Services' (Department) explanation for significant lapse period spending as presented in Schedules 1 and 2 are detailed below. For the purposes of this analysis, significant lapse period spending is defined as \$2,000 and 10% or more of the total fund expenditures for the respective fiscal year.

Fiscal Year 2019

Appropriated Funds

General Revenue Fund (0001)

Lapse period spending totaled \$442,260 or 12% of the total expenditures for FY 2019. The Department paid out a one-time \$84,506 during lapse period for American Federation of State, County and Municipal Employees (AFSCME) back wages owed to Department employees.

Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund (0013)

Lapse period spending totaled \$15,452 or 31% of the total expenditures for FY 2019. The spending for this fund related to the Block Grant for Prevention and Treatment of Substance Abuse. This spending consists of payments to providers and is dependent on the timing of year-end billings.

Mental Health Fund (0050)

Lapse period spending totaled \$5,821 or 15% of the total expenditures for FY 2019. The lapse period expenditures included payments for Department facility repair and maintenance projects completed late in the fiscal year.

Vocational Rehabilitation Fund (0081)

Lapse period spending totaled \$12,176 or 10% of the total expenditures for FY 2019. The lapse period payments were due to timing of payments to providers. Providers have a deadline to submit remaining fiscal year billings during the lapse period.

Employment and Training Fund (0347)

Lapse period spending totaled \$50,882 or 18% of the total expenditures for FY 2019. The majority of lapse period spending was payments to childcare providers. These providers are paid from three funds over the fiscal year and lapse period payments were primarily made from this fund.

DHS Federal Projects Fund (0592)

Lapse period spending totaled \$4,457 or 26% of the total expenditures for FY 2019. The majority of the lapse period expenditures, \$1,176, was for grant payments from the Emergency Solutions Grant and \$805 in auditing and management services.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Expressed in thousands)
(Unaudited)**

Fiscal Year 2019 (Continued)

Alcoholism and Substance Abuse Fund (0646)

Lapse period spending totaled \$3,657 or 18% of the total expenditures for FY 2019. The majority of the lapse period expenditures were for grant payments from the Illinois State Opioid Response Grant. The expenditures from this fund more than double the FY 2017 expenditures as a result of new federal grant awards in FY 2018 and FY 2019.

Local Initiative Fund (0762)

Lapse period spending totaled \$2,993 or 15% of the total expenditures for FY 2019. The Social Services Block Grant activity is reported in this fund and providers submit the May and June billings during July and August.

Unappropriated Funds

Alcoholism and Substance Abuse Fund (0646)

Lapse period spending totaled \$3,047 or 76% of the total non-appropriated expenditures for FY 2019. The Department received a new federal grant award during the fiscal year that was primarily expended during lapse period.

Fiscal Year 2018

Appropriated Funds

General Revenue Fund (0001)

Lapse period spending totaled \$399,985 or 11% of the total expenditures for FY 2018. The Department made an \$88,110 payment to Department of Central Management Services (CMS) for statistical tabulation charges, such as mainframe usage or report generation for prior fiscal year costs incurred during the budget impasse.

Prevention and Treatment of Alcoholism and Substance Abuse Block Grand Fund (0013)

Lapse period spending totaled \$11,523 or 20% of the total expenditures for FY 2018. The spending for this fund related to the Block Grant for Prevention and Treatment of Substance Abuse. This spending consists of payments to providers and is dependent on the timing of year-end billings.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Expressed in thousands)
(Unaudited)**

Fiscal Year 2018 (Continued)

Care Provider Fund for Persons with a Developmental Disability Fund (0344)

Lapse period spending totaled \$3,534 or 12% of the total expenditures for FY 2018. The lapse period payments were due to the timing of the deposits by the Department of Healthcare and Family Services. In August, \$8 in deposits were made into the fund that allowed for more lapse period expenditures.

Employment and Training Fund (0347)

Lapse period spending totaled \$55,177 or 17% of the total expenditures for FY 2018. The majority of lapse period spending was payments to childcare providers. These providers are paid from three funds over the fiscal year and lapse period payments were primarily made from this fund.

DHS Special Purpose Trust Fund (0408)

Lapse period spending totaled \$29,978 or 12% of the total expenditures for FY 2019. The majority of lapse period spending was payments to childcare providers. These providers are paid from three funds over the fiscal year.

Early Intervention Services Revolving Fund (0502)

Lapse period spending totaled \$18,464 or 11% of the total expenditures for FY 2018. This spending from this fund consists of payments to providers following service delivery and is dependent on the timing of year-end billings.

DHS Federal Projects Fund (0592)

Lapse period spending totaled \$3,736 or 27% of the total expenditures for FY 2018. The majority of the lapse period expenditures, \$1,982, was for grant payments from the Emergency Solutions Grant.

Alcoholism and Substance Abuse Fund (0646)

Lapse period spending totaled \$4,611 or 25% of the total expenditures for FY 2018. The majority of the lapse period expenditures were for grant payments from the Illinois State Opioid Response Grant. The expenditures from this fund more than doubled between FY 2017 and FY 2018 as a result of new federal grant awards.

Local Initiative Fund (0762)

Lapse period spending totaled \$2,553 or 15% of the total expenditures for FY 2018. The Social Services Block Grant activity is reported in this fund and providers submit the May and June billings during July and August.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Expressed in thousands)
(Unaudited)**

Fiscal Year 2018 (Continued)

Unappropriated Funds

DHS Recoveries Trust Fund (0921)

Lapse period spending totaled \$2,228 or 36% of total expenditures for FY 2018. The majority of the lapse period expenditures was related to a refund \$1.7 million of the United States Department of Agriculture (USDA) Food Safety Inspection Services.

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Expressed in thousands)
(Unaudited)**

Receivables of the Illinois Department of Human Services (Department) consist of reimbursements or formula allocation amounts due to the Department for administration of federal grant awards, recoveries of public assistance grant funds, recipient services and rebates. The principal federal grantor agencies are the U.S. Department of Health and Human Services, Education, Agriculture, and the Social Security Administration. In addition to the routine collection processes, the Department utilizes private collection services and the Comptroller's Treasury Offset System to collect receivables.

Allowance for uncollectibles are included in the following net amounts recorded below (expressed in thousands) for FY 2019 and FY 2018, respectively: Taxes receivable \$0 and \$4; Due from other governments – Federal \$11,462 and \$11,642; Other receivables \$308,889 and \$361,327. The amounts due from other funds and component units are amounts due from other State agencies and related organizations and they are all considered fully collectible.

The following is a schedule of receivable balances (expressed in thousands) at June 30, 2019 and 2018, respectively.

	<u>Total</u> <u>June 30, 2019</u>	<u>Total</u> <u>June 30, 2018</u>
Taxes receivable, net	\$ 139	\$ 156
Due from other governments - federal, net	312,048	221,743
Due from other governments - local	226	316
Other receivables, net	133,994	135,303
Due from other State funds	6,090	6,919
Due from component units	4	140
Loans and notes receivable	467	464
	<hr/>	<hr/>
Totals	<u>\$ 452,968</u>	<u>\$ 365,041</u>

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
BUDGET IMPASSE DISCLOSURE
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Expressed in thousands)
(Unaudited)**

Public Act 100-0021 authorized the Department to pay FY 2017 costs using the Department's FY 2018 appropriations for non-payroll expenditures. The following chart shows how the Department spent its FY 2018 appropriations to cover its FY 2017 costs.

Fund	Fund Name	Expended YTD	Number of Vendors
0001	General Revenue Fund	\$ 96,734,160	629
0013	Prevention and Treatment of Alcoholism and Substance Abuse Block Grant	106,482	1
0050	Mental Health Fund	127,828	86
0081	Vocational Rehabilitation Fund	8,239	5
0120	Home Services Medicaid Trust Fund	5,953	30
0211	DHS Technology Initiative Fund	47,585	6
0276	Drunk and Drugged Driving Prevention Fund	30,178	107
0365	Health and Human Services Medicaid Trust Fund	578,922	281
0368	Drug Treatment Fund	11,513	9
0408	DHS Special Purposes Trust Fund	47,630	4
0502	Early Intervention Services Revolving Fund	9,812	141
0509	DHS Community Services Fund	894	6
0592	DHS Federal Projects Fund	125,595	9
0718	Community Mental Health Medicaid Trust Fund	13	1
0762	DHS Federal Projects Fund	958	1
0921	DHS Recoveries Trust Fund	4,322	4
Grand Total		\$ 97,840,084	1,320

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF EXPENDITURES BY FACILITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2018 and 2017
(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Alton Mental Health Center	\$ 22,419,894	\$ 22,387,149	\$ 24,590,968
Andrew McFarland Mental Health Center	23,060,380	22,450,250	25,181,438
Ann M. Kiley Developmental Center	34,430,520	33,996,666	33,017,844
Chester Mental Health Center	40,512,443	38,818,284	43,148,670
Chicago-Read Mental Health Center	28,862,697	28,668,187	28,621,600
Clyde L. Choate Mental Health and Developmental Center	41,194,307	40,637,175	41,229,477
Elgin Mental Health Center	60,748,523	60,831,638	67,602,398
Elisabeth Ludeman Developmental Center	41,505,628	43,644,119	56,152,778
Gov. Samuel H. Shapiro Developmental Center	75,089,751	73,124,326	73,522,782
Illinois Center for Rehabilitation Education (Roosevelt)	4,658,777	4,577,364	5,010,433
Illinois School for the Deaf	16,205,562	15,754,061	16,882,663
Illinois School for the Visually Impaired	7,810,603	7,799,083	8,938,194
Jack Mabley Developmental Center	14,884,833	14,562,261	14,591,230
John J. Madden Mental Health Center	24,421,887	28,017,544	31,243,107
Warren G. Murray Developmental Center	35,447,358	34,584,320	34,574,898
William W. Fox Developmental Center	16,297,313	16,852,042	17,374,236
Total	<u>\$ 487,550,476</u>	<u>\$ 486,704,469</u>	<u>\$ 521,682,716</u>

All expenditure data on this schedule was obtained from Department records.

Fiscal Year 2017 data includes expenditures for services in Fiscal Year 2016 and Fiscal Year 2017.

Expenditures from Fiscal Year 2016 were paid in Fiscal Year 2017 because of a lack of a State budget for Fiscal Year 2016 and because the expenditures did not fall into the "court-ordered" category, they could not be paid without a State budget.

The Illinois Center for Rehabilitation and Education Roosevelt and Wood programs share the same campus.

They share the same staff and all payroll costs are posted to Roosevelt. The Wood other lines costs are paid from a separate funding source.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF AVERAGE NUMBER OF EMPLOYEES
FOR THE FISCAL YEARS JUNE 30, 2019, 2018 AND 2017
(Unaudited)

Average number of full-time equivalent (FTE) employees by division are presented as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Administration and Program Support			
Administration & Program Support	440	442	470
Office of Inspector General	65	60	63
Management Information Services	105	114	122
Clinical Administration & Program Support	103	105	107
Total Administration and Program Support	<u>713</u>	<u>721</u>	<u>762</u>
Division of Alcohol and Substance Abuse	<u>43</u>	<u>43</u>	<u>39</u>
Total Division of Alcohol and Substance Abuse	<u>43</u>	<u>43</u>	<u>39</u>
Division of Rehabilitation Services			
Disability Determination Services	359	373	417
Client Assistance Project	4	4	1
Community and Residential Services Blind & Visually Impaired	13	12	12
Home Services	306	325	316
Illinois Center for Rehabilitation and Education	51	47	48
Illinois School for the Deaf	205	198	202
Illinois School for the Visually Impaired	112	110	112
Rehabilitation Services Bureau	406	418	433
Total Division of Rehabilitation Services	<u>1,456</u>	<u>1,487</u>	<u>1,541</u>
Division of Developmental Disabilities			
Developmental Disabilities Central Administration	100	98	95
Clyde L. Choate Mental Health and Developmental Center	531	520	525
William W. Fox Developmental Center	215	215	234
Ann M. Kiley Developmental Center	434	437	447
Elisabeth Ludeman Developmental Center	729	717	710
Jack Mabley Developmental Center	200	198	192
Warren G. Murray Developmental Center	490	486	486
Gov. Samuel H. Shapiro Developmental Center	1,087	1,056	1,079
Total Division of Developmental Disabilities	<u>3,786</u>	<u>3,727</u>	<u>3,768</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF AVERAGE NUMBER OF EMPLOYEES (Continued)
FOR THE FISCAL YEARS JUNE 30, 2019, 2018 AND 2017
(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Division of Mental Health			
Mental Health Central Administration	80	88	92
Alton Mental Health Center	230	233	243
Chester Mental Health Center	432	439	474
Chicago-Read Mental Health Center	282	280	279
Elgin Mental Health Center	634	660	678
John J. Madden Mental Health Center	232	263	286
Andrew McFarland Mental Health Center	227	222	225
Treatment and Detention Facility	226	228	233
Total Division of Mental Health	<u>2,343</u>	<u>2,413</u>	<u>2,510</u>
Division of Family and Community Services	<u>4,031</u>	<u>3,993</u>	<u>3,880</u>
Total Division of Family and Community Services	<u>4,031</u>	<u>3,993</u>	<u>3,880</u>
 GRAND TOTAL	 <u><u>12,372</u></u>	 <u><u>12,384</u></u>	 <u><u>12,500</u></u>

This schedule includes the average number of full-time equivalent (FTE) employees for the entire Illinois Department of Human Services.

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF EMPLOYEE OVERTIME
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018
(Unaudited)

The following table, prepared from Illinois Department of Human Services (Department) records, presents the paid overtime incurred during FY 2019 and FY 2018.

Year Ended June 30, 2019

Central Office / Division	Value of Overtime Hours Paid	Value of Other Compensatory Time Used
Administration & Program Support	\$ 1,500,256	\$ 596,947
Management Information Service	334,560	138,226
Disability Determination Services Bureau	625,779	5,796
Home Services Program	519,199	101,611
Mental Health Administration	45,330	62,918
Inspector General	149,311	109,571
Developmental Disabilities Administration	31,868	91,327
Addiction Treatment	26,824	32,321
Rehabilitation Services Bureaus	382,562	153,520
Clinical Administration and Program Support	74,295	41,413
Community and Resident Services for Blind and Visually Impaired	6,865	3,132
Family and Community Services	18,200,002	1,143,539
Total Central Office	\$ 21,896,851	\$ 2,480,321
Facilities		
Jack Mabley Developmental Center	\$ 1,909,312	\$ 70,536
Alton Mental Health Center	2,031,524	159,932
Clyde L. Choate Mental Health and Developmental Center	4,940,979	386,776
Chicago Read Mental Health Center	2,721,662	432,030
Treatment and Detention Program	1,785,801	619,431
Ann M. Kiley Developmental Center	5,568,727	3,412
Illinois School for the Deaf	514,558	779,200
Illinois School for the Visually Impaired	375,700	367,331
John J. Madden Mental Health Center	2,580,878	371,094
Warren G. Murray Developmental Center	4,765,210	132,972
Elgin Mental Health Center	5,387,721	249,104
Chester Mental Health Center	6,401,303	202,473
Illinois Center for Rehabilitation Education - Roosevelt	195,579	93,265
Andrew McFarland Mental Health Center	2,028,783	138,278
Gov. Samuel H. Shapiro Developmental Center	9,118,828	7,654
William W. Fox Developmental Center	1,907,883	28,669
Elisabeth Ludeman Developmental Center	9,936,524	228,811
Total Facilities	\$ 62,170,972	\$ 4,270,968
Total for Department for Fiscal Year 2019	\$ 84,067,823	\$ 6,751,289

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF EMPLOYEE OVERTIME
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018
(Unaudited)**

Year Ended June 30, 2018

Central Office / Division	Value of Overtime Hours Paid	Value of Other Compensatory Time Used
Administration & Program Support	\$ 1,495,784	\$ 485,783
Management Information Service	345,762	145,228
Disability Determination Services Bureau	582,536	4,293
Home Services Program	392,065	74,102
Mental Health Administration	48,259	85,030
Inspector General	124,101	68,236
Developmental Disabilities Administration	19,567	75,289
Addiction Treatment	23,540	23,659
Rehabilitation Services Bureaus	217,969	87,578
Clinical Administration and Program Support	71,300	36,024
Community and Resident Services for Blind and Visually Impaired	1,351	1,044
Family and Community Services	14,199,262	629,736
Total Central Office	<u>\$ 17,521,496</u>	<u>\$ 1,716,002</u>
Facilities		
Jack Mabley Developmental Center	\$ 1,936,014	\$ 78,066
Alton Mental Health Center	2,101,906	202,986
Clyde L. Choate Mental Health and Developmental Center	4,544,515	331,116
Chicago Read Mental Health Center	3,111,112	400,087
Treatment and Detention Program	1,304,450	450,680
Ann M. Kiley Developmental Center	5,674,585	11,308
Illinois School for the Deaf	562,631	766,658
Illinois School for the Visually Impaired	279,572	348,071
John J. Madden Mental Health Center	2,551,946	451,247
Warren G. Murray Developmental Center	3,846,609	111,733
Elgin Mental Health Center	4,010,213	274,276
Chester Mental Health Center	5,370,269	164,610
Illinois Center for Rehabilitation Education - Roosevelt	165,593	141,709
Andrew McFarland Mental Health Center	1,999,201	196,470
Gov. Samuel H. Shapiro Developmental Center	7,822,807	23,677
William W. Fox Developmental Center	2,166,523	23,097
Elisabeth Ludeman Developmental Center	9,106,228	234,237
Total Facilities	<u>\$ 56,554,174</u>	<u>\$ 4,210,028</u>
Total for Department for Fiscal Year 2018	<u>\$ 74,075,670</u>	<u>\$ 5,926,030</u>

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
EMERGENCY PURCHASES
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018
(Unaudited)**

FOR THE YEAR ENDED JUNE 30, 2019

Division	Facility	Description	Amount	Actual/ Estimated
Office of Business Management	N/A	Upgrade mailing equipment	\$ 732,209	Actual
Mental Health Development Center	Choate	Solve problem of leaks in steam lines	13,031	Actual
Mental Health Center	Elgin	Elgin Mental Health Center boiler repairs	45,407	Actual
Bureau of Clinical Informatics	Elgin	Sole Source Hospital to PMP website connections	599,950	Actual
Mental Health Center	Elgin	Elgin electrical outage	680,734	Actual
Development Disabilities	N/A	Fiscal Agent Services - continue to provide fiscal, payroll and bill payment services	420,704	Actual

FOR THE YEAR ENDED JUNE 30, 2018

Division	Facility	Description	Amount	Actual/ Estimated
Development Center in Dixon	Mabley	Steel support poles that are failing need to repair and replace	\$ 306,787	Actual
Mental Health	N/A	Critical services for the Division	744,000	Actual
Department of Rehabilitation Services (DRS)	N/A	Emergency state plan for independent living	104,700	Actual
Mental Health	N/A	Prepare mental health provider community to provide Evidence Based Practices	367,421	Actual
For the 15 facilities	15 facilities	Emergency meat purchase	96,285	Actual
Bureau of Early Interventions' Central Billing Office	N/A	Continue services to direct service providers without disruption in critical State services	906,591	Actual

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
MEMORANDUMS OF UNDERSTANDING
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Unaudited)**

Division / Office	Parties Involved Other than the Department	Dates Involved	Description of Memorandum Requirements
FCS	U.S. Census Bureau	03/06/2018 - to - 03/06/2024	Transfer of SNAP, TANF, and WIC data for research purposes
DRS	Powerton Club	07/27/2017 - to - Until termination	Vending facilities on premises
DRS	ABC Supply Company	08/08/2017- to - Until termination	Vending facilities on premises
DRS	Advance Lifts	08/28/2017- to - Until termination	Vending facilities on premises
DRS	Par-A-Dice Casino	09/22/2017- to - Until termination	Vending facilities on premises
DRS	Life's Journey	12/11/2019- to - Until termination	Vending facilities on premises
DRS	Cat 1 Glass	10/20/2017- to - Until termination	Vending facilities on premises
DRS	Northwestern University	02/15/2019- to - Until termination	Vending facilities on premises
SEC	Deloitte	12/06/2017 - to - 06/30/2018	Splitting cost of Benefits Management Overpayments and Supplements Solution
FCS	The Illinois Self-advocacy Alliance, Illinois Coalition Against Sexual Assault, Illinois Network of Centers for Independent Living, Blue Tower Solutions, and Illinois Criminal Justice Information Authority	01/23/2018 - to - 09/30/2020	Illinois Imagines Program (Domestic Violence and Disability Services)
FCS	Local Workforce Investment Board 13 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/01/2018 - to - 06/30/2020	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery
DRS	Four Rivers SED	06/12/2018 - to - 06/03/2023	Sharing services and equipment with ISD
DRS	OX Paperboard	06/27/2018- to - Until termination	Vending facilities on premises
DRS	Malcome S. Gerald	06/29/2018- to - Until termination	Vending facilities on premises
OCAPS	Integrated Justice Information Systems Institute, Inc.	06/28/2018- to - Until termination	Allow access to Prescription Monitoring Program data
FCS	Local Workforce Investment Board 22 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/01/2017 - to - 06/30/2020	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery
FCS	Local Workforce Investment Board 11 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/01/2017 - to - 06/30/2020	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery
FCS	Local Workforce Investment Board 23 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/01/2017 - to - 06/30/2020	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery
FCS	Local Workforce Investment Board 25 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/01/2018 - to - 06/30/2020	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery
DRS	Excalibur Seasoning	07/30/2018- to - Until termination	Vending facilities on premises
DRS	Lake Point Tower	02/04/2019- to - Until termination	Vending facilities on premises
OBS	IDOT	03/03/2018 - to - None	Memorializes that IDOT gave DHS paper
FCS	Illinois Criminal Justice Information Authority	10/01/2018 - to - 09/30/2021	InfoNet Enhanced Outcome Measures Project
FCS	Local Workforce Investment Board 26 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/01/2017 - to - 06/30/2020	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery
FCS	Local Workforce Investment Board 4 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/01/2017 - to - 06/30/2020	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery
FCS	Local Workforce Investment Board 2 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/25/2019 - to - 06/30/2021	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery
FCS	Local Workforce Investment Board 18 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/01/2017 - to - 06/30/2020	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery
DRS	Taurus Tool	10/04/2018 - to - Until terminated	Vending machines on premises
FCS	Local Workforce Investment Board 15 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/01/2017 - to - 06/30/2020	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery
FCS	Local Workforce Investment Board 17 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/01/2017 - to - 06/30/2020	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
MEMORANDUMS OF UNDERSTANDING
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Unaudited)**

Division / Office	Parties Involved Other than the Department	Dates Involved	Description of Memorandum Requirements
FCS	Local Workforce Investment Board 24 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/01/2017 - to - 06/30/2020	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery
DRS	Pacific Ethanol	12/07/2018 - to - Until terminated	Vending machines on premises
DRS	Heritage Woods	12/20/2018 - to - Until terminated	Vending machines on premises
DRS	Batavia City Hall	12/05/2018 - to - Until terminated	Vending machines on premises
FCS	Local Workforce Investment Board 7 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/01/2018 - to - 06/30/2020	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery
FCS	Local Workforce Investment Board 1 and Agencies Providing Services through the Local Comprehensive One-Stop Centers	07/01/2018 - to - 06/30/2020	Defines workforce services WIOA required partners will provide, methods used, and roles and responsibilities of all partners related to service delivery
FCS	Ounce of Prevention	01/10/2019 - to - Open Ended	Repayment of the FFY15 MIECHV program disallowed costs
DRS	RLI Insurance	12/19/2018 - to - Until terminated	Vending machines on premises
DRS	Insurance Exchange Vending machines on premises	07/24/2018 - to - Until terminated	Vending machines on premises
DRS	IRS-Schiller Park	08/02/2019 - to - Until terminated	Vending machines on premises
DRS	General Services Administration (federal government)	02/21/2018 - to - Until terminated	Vending machines on premises
DRS	U.S. Customs	02/21/2018 - to - Until terminated	Vending machines on premises
DMH	Roger Baldwin Foundation (ACLU), Equip for Equality, and Bazalone Center	01/01/2019 - to - Open Ended	Williams Decree Attorney Fees Payment Terms
DRS	City of Springfield	01/08/2019 - to - Until terminated	Vending machines on premises
DRS	London House	02/05/2019 - to - Until terminated	Vending machines on premises
DRS	Dominican Sisters	01/18/2019 - to - Until terminated	Vending machines on premises
DRS	Midtown Hotel	03/08/2019 - to - Until terminated	Vending machines on premises
FCS	Illinois Criminal Justice Information Authority	03/19/2019 - to - Until terminated	Improving Criminal Justice Responses to Domestic Violence
DRS	Lutheran Social Serv	02/25/2019 - to - Until terminated	Vending machines on premises
DRS	Midtown Inn	03/08/2019 - to - Until terminated	Vending machines on premises
DRS	INHANCE	03/19/2019 - to - Until terminated	Vending machines on premises
DRS	Robertshaw Controls	06/07/2019 - to - Until terminated	Vending machines on premises
DRS	Ascend St. Charles	07/08/2019 - to - Until terminated	Vending machines on premises
DRS	Kewanee Life Skills	05/28/2019 - to - Until terminated	Vending machines on premises
DRS	Centene Corp.	08/12/2019 - to - Until terminated	Vending machines on premises
DRS	Kewanee Life Skills	05/28/2019 - to - Until terminated	Vending machines on premises
FCS	Chapin Hall at University of Chicago	06/03/2019 - to - Until terminated	Child Care Policy Research Partnership Grants
DRS	Forest Park Bank	06/14/2019 - to - Until terminated	Vending machines on premises

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANNUAL COST STATISTICS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018
(Unaudited)**

The annual cost statistics below have been accumulated for the years ended June 30, 2019 and 2018 (all amounts are in thousands except for average cost per day).

The chart shows how the average cost per day is determined by using the accumulated costs and subtracting the cost of extramural services and clothing, the value of donated commodities and any miscellaneous income received by the facilities. The amount is then used for divided by the number of patient days at the facilities to determine the average daily cost for each patient. billing private insurance companies, responsible relatives and private pay patients.

	Mental Health		Development Disabilities		Total	
	2019	2018	2019	2018	2019	2018
Accumulated costs	\$ 399,578	\$ 390,955	\$ 403,238	\$ 382,137	\$ 802,816	\$ 773,092
Allocated overhead	25,763	23,718	25,795	25,504	51,558	49,222
Less:						
Extramural services	643	758	-	-	643	758
Clothing	160	174	40	26	200	200
Donated commodities	-	-	-	-	-	-
Miscellaneous income	109	103	6	3	115	106
Total costs	424,429	413,638	428,987	407,612	853,416	821,250
Patient days	478	483	527	530	1,005	1,013
Average cost per day	\$ 888	\$ 856	\$ 814	\$ 769	\$ 849	\$ 811

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
FACILITY/ SCHOOL STATISTICS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2018 AND 2017
(Unaudited)

	2019			
	Average Number of Employees [^]	Average Number of Residents / Students	Average Yearly Cost Per Resident / Student*	Ratio of Employees to Residents / Students
Developmental Centers				
William W. Fox Developmental Center	215	88	\$ 320,326	2.45 to 1
Ann M. Kiley Developmental Center	434	195	312,705	2.23 to 1
Elisabeth Ludeman Developmental Center	729	372	259,805	1.96 to 1
Jack Mabley Developmental Center	200	108	243,115	1.85 to 1
Warren G. Murray Developmental Center	490	231	290,935	2.12 to 1
Gov. Samuel H. Shapiro Developmental Center	1,087	469	280,004	2.32 to 1
Subtotal	3,155	1,463		
Mental Health Centers				
Chester Mental Health Center	432	267	248,372	1.62 to 1
Chicago-Read Mental Health Center	282	136	371,664	2.08 to 1
Elgin Mental Health Center	634	350	295,189	1.81 to 1
John J. Madden Mental Health Center	232	90	448,284	2.57 to 1
Andrew McFarland Mental Health Center	227	137	273,735	1.66 to 1
Alton Mental Health Center	230	104	369,889	2.21 to 1
Treatment & Detention Facility***	226	553	67,831	0.41 to 1
Subtotal	2,263	1,637		
Mental Health & Developmental Centers				
Clyde L. Choate Mental Health and Developmental Center	531	229	317,902	2.32 to 1
Subtotal	531	229		
Rehabilitation Services				
Illinois Center for Rehabilitation and Education - Roosevelt	51	53	87,901	0.96 to 1
Illinois School for the Visual Impaired	112	108	72,320	1.04 to 1
Illinois School for the Deaf	205	265	65,185	0.77 to 1
Subtotal	368	426		
Grand Total	6,317	3,755		

* Average Yearly Cost Per Resident / Student information was derived from per-resident costs accumulated by the Department's Management Cost System. The Average Yearly Cost Per Resident / Student includes depreciation and an allocation of costs incurred by the Central Office and other State agencies and was not verified.

*** The Treatment & Detention Facility average yearly cost per resident was computed using expenditures from all sources. In addition, the average number of residents/students was computed by taking the average of 12 months of census.

[^] The average number of employees is computed by taking the average of the 24 payrolls of each fiscal year.

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
FACILITY/ SCHOOL STATISTICS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2018 AND 2017
(Unaudited)

	2018			
	Average Number of Employees [^]	Average Number of Residents / Students	Average Yearly Cost Per Resident / Student*	Ratio of Employees to Residents / Students
Developmental Centers				
William W. Fox Developmental Center	215	94	\$ 294,781	2.29 to 1
Ann M. Kiley Developmental Center	437	193	294,220	2.27 to 1
Elisabeth Ludeman Developmental Center	536	382	241,485	1.40 to 1
Jack Mabley Developmental Center	198	109	232,203	1.82 to 1
Warren G. Murray Developmental Center	486	217	288,341	2.24 to 1
Gov. Samuel H. Shapiro Developmental Center	1,056	474	267,791	2.23 to 1
Subtotal	2,928	1,469		
Mental Health Centers				
Chester Mental Health Center	439	271	250,792	1.62 to 1
Chicago-Read Mental Health Center	280	132	381,286	2.12 to 1
Elgin Mental Health Center	660	355	271,851	1.86 to 1
John J. Madden Mental Health Center	263	103	416,889	2.56 to 1
Andrew McFarland Mental Health Center	222	139	275,004	1.59 to 1
Alton Mental Health Center	233	102	307,964	2.29 to 1
Treatment & Detention Facility***	228	560	66,983	0.41 to 1
	2,325	1,662		
Mental Health & Developmental Centers				
Clyde L. Choate Mental Health and Developmental Center	520	226	323,313	2.30 to 1
	520	226		
Rehabilitation Services				
Illinois Center for Rehabilitation and Education - Roosevelt	47	54	84,766	0.88 to 1
Illinois School for the Visual Impaired	110	112	69,635	0.98 to 1
Illinois School for the Deaf	198	233	67,614	0.85 to 1
Subtotal	355	399		
Grand Total	6,128	3,756		

* Average Yearly Cost Per Resident / Student information was derived from per-resident costs accumulated by the Department's Management Cost System. The Average Yearly Cost Per Resident / Student includes depreciation and an allocation of costs incurred by the Central Office and other State agencies and was not verified.

*** The Treatment & Detention Facility average yearly cost per resident was computed using expenditures from all sources. In addition, the average number of residents/students was computed by taking the average of 12 months of census.

[^] The average number of employees is computed by taking the average of the 24 payrolls of each fiscal year.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
FACILITY/ SCHOOL STATISTICS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2018 AND 2017
(Unaudited)**

	2017			
	Average Number of Employees [^]	Average Number of Residents / Students	Average Yearly Cost Per Resident / Student*	Ratio of Employees to Residents / Students
Developmental Centers				
William W. Fox Developmental Center	234	96	\$ 294,781	2.44 to 1
Ann M. Kiley Developmental Center	447	156	294,220	2.87 to 1
Elisabeth Ludeman Developmental Center	710	353	241,485	2.01 to 1
Jack Mabley Developmental Center	192	100	232,203	1.92 to 1
Warren G. Murray Developmental Center	486	180	288,341	2.70 to 1
Gov. Samuel H. Shapiro Developmental Center	1,079	466	267,791	2.32 to 1
Subtotal	3,148	1,351		
Mental Health Centers				
Chester Mental Health Center	474	270	250,792	1.76 to 1
Chicago-Read Mental Health Center	279	116	381,286	2.40 to 1
Elgin Mental Health Center	678	379	271,851	1.79 to 1
John J. Madden Mental Health Center	286	106	416,889	2.70 to 1
Andrew McFarland Mental Health Center	225	132	275,004	1.70 to 1
Alton Mental Health Center	243	118	307,964	2.06 to 1
Treatment & Detention Facility***	233	551	83,147	0.42 to 1
Subtotal	2,418	1,672		
Mental Health & Developmental Centers				
Clyde L. Choate Mental Health and Developmental Center	525	205	323,313	2.56 to 1
Subtotal	525	205		
Rehabilitation Services				
Illinois Center for Rehabilitation and Education - Roosevelt	48	54	92,786	0.89 to 1
Illinois School for the Visual Impaired	112	119	75,111	0.94 to 1
Illinois School for the Deaf	202	205	82,354	0.98 to 1
Subtotal	362	378		
Grand Total	6,453	3,606		

* Average Yearly Cost Per Resident / Student information was derived from per-resident costs accumulated by the Department's Management Cost System. The Average Yearly Cost Per Resident / Student includes depreciation and an allocation of costs incurred by the Central Office and other State agencies and was not verified.

*** The Treatment & Detention Facility average yearly cost per resident was computed using expenditures from all sources. In addition, the average number of residents/students was computed by taking the average of 12 months of census.

[^] The average number of employees is computed by taking the average of the 24 payrolls of each fiscal year.

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
SCHEDULE OF INDIRECT COST REIMBURSEMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Unaudited)**

The Illinois Department of Human Services claims indirect costs for the grant programs in two different ways. The Department has two cost plans. One is a Public Assistance Cost Allocation Plan (PACAP) approved by the U.S. Department of Health and Human Services, Division of Cost Allocation effective for State fiscal year 2019. This plan represents the direct costs for the Department. The second cost plan is a Department Indirect Cost Allocation Plan (DICAP) approved by the U.S. Department of Health and Human Services effective for State fiscal year 2019. The implementation of both cost plans assures that cost recovery for federal grants is maximized.

The DICAP is compiled for a given State fiscal year after the close of the State fiscal year. The costs from the annual DICAP are added to the PACAP allocations each quarter. The PACAP allocations reflect the current quarter expenditures and charges to the respective grant programs.

The process for indirect cost recovery is as described above for all Department grant programs except the Social Security Administration Disability Determination Program and the Division of Rehabilitation Services Vocational Rehabilitation Program. The costs compiled in the DICAP attributable to these two areas/programs are converted to an indirect rate and applied to the direct personal services cost pool to derive the indirect costs for these two respective areas. The federal agencies responsible for these two areas of the Department have required indirect rates rather than indirect amounts as calculated in the above described process.

The Maternal and Child Health Block Grant (SSA, Title V) was moved to the Illinois Department of Public Health therefore there was nothing to report for the Department of Human Services.

The following are the indirect cost reimbursements deposited by the Department for the fiscal years ended June 30, 2019 and 2018:

Fiscal Year 2019

<u>Program</u>		
Food Stamp Program	\$	14,013,901
Temporary Assistance for Needy Families (TANF)		1,893,153
Child Care Development Fund		5,789,592
Social Service Block Grant (SSA, Title XX)		260,817
Supplemental Nutrition Program for Women, Infants and Children (WIC)		888,960
Social Security Disability Program (SSA, sec. 221(b))		4,994,446
Vocational Rehabilitation		3,677,614

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
SCHEDULE OF INDIRECT COST REIMBURSEMENTS (Continued)
FOR THE TWO YEARS ENDED JUNE 30, 2019
(Unaudited)

Fiscal Year 2018

<u>Program</u>	\$	
Food Stamp Program		13,744,189
Temporary Assistance for Needy Families (TANF)		1,991,929
Child Care Development Fund		4,652,553
Social Service Block Grant (SSA, Title XX)		217,665
Supplemental Nutrition Program for Women, Infants and Children (WIC)		1,028,581
Social Security Disability Program (SSA, sec. 221(b))		1,747,076
Vocational Rehabilitation		3,555,857

(Concluded)