



**STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS**

---

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2020

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



**SIKICH.COM**

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020

**TABLE OF CONTENTS**

	<b><u>Schedule</u></b>	<b><u>Page(s)</u></b>
Agency Officials .....		1-3
Management Assertion Letter .....		4-5
Compliance Report:		
Summary .....		6-9
Independent Accountant's Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes .....		10-12
Schedule of Findings		
Current Findings – State Compliance .....		13-66
Prior Findings Not Repeated .....		67
Supplementary Information for State Compliance Purposes:		
Fiscal Schedules and Analysis		
Schedule of Appropriations, Expenditures, and Lapsed Balances		
Fiscal Year 2020 .....	1	65-66
Fiscal Year 2019 .....	2	65-66
Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances .....	3	65-66
Comparative Schedule of Net Expenditures by Major Activity.....	4	68
Comparative Schedule of Cash Receipts and Deposits into the State Treasury .....	5	69-71
Schedule of Locally Held Funds .....	6	72-74
Schedule of Changes in Property .....	7	75-76
Schedule of Indirect Cost Reimbursements .....	8	65-66
Analysis of Operations (Not Examined))		
Analysis of Operations (Functions and Planning) .....		65-66
Analysis of Significant Variations in Expenditures .....		65-66
Analysis of Significant Variations in Receipts .....		77-78
Analysis of Significant Lapse Period Spending .....		79-80
Number of Employees .....		81
Cost Statistics .....		82-90
Disclosure of Emergency Purchases .....		91
Housing Benefits .....		92
Analysis of Overtime and Compensatory Time .....		65-66
Disclosure of Emergency Purchases under the Gubernatorial COVID-19 Disaster Proclamations .....		93-98

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020

**AGENCY OFFICIALS**

**AGENCY OFFICIALS – CENTRAL OFFICE**

Director (Acting) (01/19/21 – 03/18/21)	Mr. Peter Nezamis
Director (Acting) (02/16/19 – 01/18/21)	Ms. Linda Chapa LaVia
Director (through 02/15/19)	Mr. Steven Curda
Assistant Director (Acting) (02/14/20 – present)	Mr. Anthony Vaughn
Assistant Director (05/16/19 – 02/13/20)	Vacant
Assistant Director (Acting) (08/27/18 – 05/15/19)	Mr. Russ Litko
Assistant Director (through 08/26/18)	Vacant
Chief of Staff (05/01/19 – present)	Mr. Tony Kolbeck
Chief of Staff (08/08/18 – 04/30/19)	Ms. Virginia Narsete
Chief of Staff (through 08/15/18)	Ms. Renysha Brown
Chief Legal Counsel (11/18/19 – present)	Ms. Brittany Hawkins
Chief Legal Counsel (10/17/19 – 11/17/19)	Vacant
Chief Legal Counsel (through 10/16/19)	Ms. Elisabeth Pennix
Chief Fiscal Officer (12/01/20 – present)	Ms. Michele Kuntz
Chief Fiscal Officer (Acting) (06/22/20 – 11/30/20)	Ms. Michele Kuntz
Chief Fiscal Officer (06/16/20 – 06/21/20)	Vacant
Chief Fiscal Officer (06/06/19 – 06/15/20)	Ms. Jennifer Bourn
Chief Fiscal Officer (06/01/19 – 06/05/19)	Vacant
Chief Fiscal Officer (Acting) (11/01/18 – 05/31/19)	Ms. Leasa Ewing
Chief Fiscal Officer (09/29/18 – 10/31/18)	Vacant
Chief Fiscal Officer (through 09/28/18)	Ms. Connie Sabo
Sr. Home Administrator (11/01/19 – present)	Vacant
Sr. Home Administrator (through 10/31/19)	Mr. Lenard Winnicki
Chief Internal Auditor (09/02/19 – present)	Mr. Joel Meints
Chief Internal Auditor (03/01/19 – 09/01/19)	Vacant
Chief Internal Auditor (through 02/28/19)	Ms. Rusti Cummings

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020

Department offices are located at:

833 S. Spring Street  
Springfield, Illinois 62794-9432

69 W. Washington Street, 16<sup>th</sup> Floor  
Chicago, Illinois 60601

**AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT ANNA**

Home Administrator	Ms. Angela Simmons
Business Administrator	Ms. Donna Murray
Adjutant	Mr. Anthony Barnett

The Home is located at:

792 North Main Street  
Anna, Illinois 62906

**AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT LASALLE**

Home Administrator (Acting) (12/08/20 – present)	Mr. Anthony Vaughn
Home Administrator (04/01/19 – 12/07/20)	Ms. Angela Mehlbrech
Home Administrator (Acting) (08/20/18 – 03/31/19)	Ms. Jackie Cook
Home Administrator (through 08/19/18)	Ms. Sherri Whitmer
Business Administrator	Mr. John Graham
Adjutant (TA Adjutant) (01/04/21 – present)	Ms. Sharon Gibson
Adjutant (02/01/20 – 01/03/21)	Vacant
Adjutant (TA Adjutant) (04/01/19 – 01/31/20)	Ms. Jackie Cook
Adjutant (11/01/17 – 12/04/20)	Mr. Michael Sheldon

The Home is located at:

1015 O'Conor Avenue  
LaSalle, Illinois 61301

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020

**AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT MANTENO**

Home Administrator (07/16/18 – present)	Ms. Tanya Smith
Home Administrator (through 07/15/18)	Vacant
Business Administrator	Mr. Stanley Stam
Adjutant (06/01/19 – present)	Ms. Shanise Stewart
Adjutant (07/16/18 – 05/31/19)	Vacant
Adjutant (through 07/15/18)	Ms. Tanya Smith

The Home is located at:

1 Veterans Drive  
Manteno, Illinois 60950

**AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT QUINCY**

Home Administrator	Mr. Troy Culbertson
Business Administrator	Ms. Hannah Ajdinovich
Adjutant	Ms. Dawn Whitcomb

The Home is located at:

1707 North 12<sup>th</sup> Street  
Quincy, Illinois 62301

**AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT CHICAGO**

Home Administrator (07/01/20 – present)	Ms. T'Kira Siler Wilkerson
Home Administrator (07/01/19 – 06/30/20)	Vacant
Business Administrator	Vacant
Adjutant	Vacant

The Home is located at:

4250 N. Oak Park Avenue  
Chicago, IL 60634



STATE OF ILLINOIS  
**DEPARTMENT OF VETERANS' AFFAIRS**

833 SOUTH SPRING STREET, P.O. BOX 19432, SPRINGFIELD, IL 62794-9432  
TELEPHONE: 217-782-6641 \* FAX: 217-524-0344

JB PRITZKER  
GOVERNOR

PETER NEZAMIS  
ACTING DIRECTOR

MANAGEMENT ASSERTION LETTER

March 26, 2021

Sikich LLP  
3201 West White Oaks Dr. Suite 102  
Springfield, IL 62704

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 State of Illinois, Department of Veterans' Affairs (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, 2020. Based on this evaluation, we assert that during the years ended June 30, 2019, and June 30, 2020, the Department has materially complied with the specified requirements listed below.

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

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

Yours truly,

State of Illinois, Department of Veterans' Affairs

**SIGNED ORIGINAL ON FILE**

\_\_\_\_\_  
Peter Nezamis, Acting Director

**SIGNED ORIGINAL ON FILE**

\_\_\_\_\_  
Michele Kuntz, Chief Fiscal Officer

**SIGNED ORIGINAL ON FILE**

\_\_\_\_\_  
Brittany Hawkins, Chief Legal Counsel

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020

**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and 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 does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Findings	25	15
Repeated Findings	12	7
Prior Recommendations Implemented or Not Repeated	3	5

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Last/First</u> <u>Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2020-001	13	NEW	Failure to Provide Requested Engagement Documentation in a Timely Manner	Noncompliance and Significant Deficiency
2020-002	16	NEW	Noncompliance with the Quincy Veterans' Home Rehabilitation and Rebuilding Act	Noncompliance and Significant Deficiency
2020-003	18	NEW	Noncompliance with the Department of Veterans' Affairs Act	Noncompliance and Significant Deficiency
2020-004	20	NEW	Noncompliance with the State Services Assurance Act	Noncompliance and Significant Deficiency
2020-005	21	NEW	Noncompliance with the Identity Protection Act	Noncompliance and Significant Deficiency

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020

**SCHEDULE OF FINDINGS (Continued)**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE) (Continued)				
2020-006	23	NEW	Noncompliance with Statutory Reporting	Noncompliance and Significant Deficiency
2020-007	25	NEW	Weaknesses Noted in the Department's Internal Audit Function	Noncompliance and Significant Deficiency
2020-008	27	2018/ 2008	Employee Performance Evaluations Not Performed Timely	Noncompliance and Significant Deficiency
2020-009	28	NEW	Failure to Ensure Employees Completed Mandatory Training	Noncompliance and Significant Deficiency
2020-010	30	NEW	Inadequate Controls over Personal Services	Noncompliance and Significant Deficiency
2020-011	32	2018/ 2010	Inaccurate Agency Workforce Reports	Noncompliance and Significant Deficiency
2020-012	34	2018	Inadequate Controls Over the Approval and Preparation of Vouchers	Noncompliance and Significant Deficiency
2020-013	37	2018/ 2016	Weaknesses in Performing Reconciliations	Noncompliance and Significant Deficiency
2020-014	40	2018/ 2008	Inadequate Controls Over the Reporting, Recording, and Inventorying of State Property	Noncompliance and Significant Deficiency
2020-015	46	2018/ 2014	Inaccurate Reporting of Emergency Purchases	Noncompliance and Significant Deficiency
2020-016	48	NEW	Weaknesses in Administration of State Vehicles	Noncompliance and Significant Deficiency
2020-017	50	2018/ 2016	Inaccurate Agency Fee Imposition Report	Noncompliance and Significant Deficiency

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020

**SCHEDULE OF FINDINGS (Continued)**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE) (Continued)				
2020-018	52	2018/ 2016	Incorrect Calculation of Resident Maintenance Fees	Noncompliance and Significant Deficiency
2020-019	53	NEW	Untimely Deposit of Receipts	Noncompliance and Significant Deficiency
2020-020	55	2018	Inaccurate Compilation and Reporting of Field Service Offices Activities and Information	Noncompliance and Significant Deficiency
2020-021	58	2018	Computer Security Weaknesses	Noncompliance and Significant Deficiency
2020-022	60	2018	Lack of Disaster Contingency Planning or Testing to Ensure Recovery of Applications and Data	Noncompliance and Significant Deficiency
2020-023	62	2018	Lack of Adequate Controls Over the Review of Internal Controls Over External Service Providers	Noncompliance and Significant Deficiency
2020-024	64	NEW	Weaknesses in Change Management	Noncompliance and Significant Deficiency
2020-025	65	NEW	Failure to Demonstrate the Completeness and Accuracy of the Department's Report Components	Noncompliance and Significant Deficiency

PRIOR FINDINGS NOT REPEATED

A	67	Inadequate Controls Over Locally Held Funds
B	67	Noncompliance with the Fiscal Control and Internal Auditing Act
C	67	Lack of Due Diligence over ERP Transition

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020

**EXIT CONFERENCE**

The Department waived an exit conference in a correspondence from Mr. Joel Meints, Chief Internal Auditor, on March 10, 2021. The responses to the recommendations were provided by Mr. Tony Kolbeck, Chief of Staff, in a correspondence dated March 26, 2021.

3201 W. White Oaks Dr., Suite 102  
Springfield, IL 62704  
217.793.3363

**SIKICH.COM**

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 Veterans' Affairs (Department) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2020. 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 opinion.

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

In our opinion, the Department complied with the specified requirements during the two years ended June 30, 2020, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and which are described in the accompanying Schedule of Findings as items 2020-001 through 2020-025.

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

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

### **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.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. *A material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose in the first 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2020-001 through 2020-025 that we consider to be significant deficiencies.

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

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**

Our examination was conducted for the purpose of forming an opinion on the Department's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2020 and June 30, 2019 in Schedules 4 through 7 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2020 and June 30, 2019 in Schedules 4 through 7. We have not applied procedures to the accompanying supplementary information for the year ended June 30, 2018, in Schedules 4 through 7 and in the Analysis of Operations Section. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 4 through 7 or the Analysis of Operations Section.

**SIGNED ORIGINAL ON FILE**

Springfield, Illinois  
March 26, 2021

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFIARS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-001. **FINDING** (Failure to Provide Requested Engagement Documentation in a Timely Manner)

The Illinois Department of Veterans' Affairs (Department) did not provide all requested documentation to the auditors in a timely manner.

As is necessary in a compliance examination, we made numerous requests of the Department during our fieldwork. Five hundred and thirteen (513) specific written requests for information were made to the Department for documentation required to perform our testing. Requests were routed through one employee, as requested by the Department. This employee was designated as the liaison for the compliance engagement. While the employee ensured requests were sent to the appropriate personnel, and conducted follow-ups, 11 requests were never returned to the auditors by various Department personnel. Documents related to 332 requests were provided after the date they were requested as noted below:

Days Received After the Due Date of Request	Number of Items
1 to 30	219
31 to 60	91
61 to 90	17
90 to 120	4
Over 120	1
Total	332

The following requests for documentation were never provided by the Department and had to be considered exceptions during our testing. Many of these are included as part of other findings in this report.

- Preparation of certain report components and explanations and answers to related inquiries (Finding Code No. 2020-025)
- Director and Assistant Director salary support
- Certification of license and automotive liability coverage for a sample of employees
- Overtime authorization support for a sample of employees
- Question regarding the overtime and compensatory time schedule
- User access testing support for various applications
- System maintenance user request forms
- Weekly statistical reports for selected field offices
- Sign-in records for veteran service officers

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

State agencies are required by law to perform specific duties and responsibilities. Testing of items such as those indicated above provides evidence of the Department's performance of those duties and feedback to the General Assembly regarding the Department's compliance with various statutory requirements.

The Illinois State Auditing Act (30 ILCS 5/3-12) states at the request of the Auditor General, each State agency shall, *without delay* (emphasis added) make available to the Auditor General or his or her designated representative any record or information requested.

Department management stated they were unable to provide requested information timely, and/or in its entirety because of staff turnover, as well as time constraints and competing priorities.

Without being provided support for testing related to the above items, we were unable to determine whether the Department was performing all of its required duties and responsibilities, as noted in numerous findings throughout this report. (Finding Code No. 2020-001)

**RECOMMENDATION**

We recommend the Department submit requested documents to auditors in a timely manner and ensure that any requested documents are provided in their entirety.

**DEPARTMENT RESPONSE**

Agreed. The Department recognizes the need to provide timely information to any auditor or State/federal agency. However, at about the same time as the compliance audit began, the world was being ravaged by a pandemic. As a result of State mandates to limit the spread of COVID-19, nearly all of the Department employees working in the Central Office were placed into a telework status. From mid-March 2020 until May 2020, the Department only had five employees working in the office and beyond that, a small number of employees capable of working remotely. This resulted in significant challenges in gathering most of the information needed in order to respond to auditor requests in a timely manner. When the Department reopened and began allowing employees back into the building, there were still only a handful of people working on-site each week and their primary focus was spent maintaining critical operations. This caused delays in response time and availability to send requested documents. Additionally, our Field Offices were closed and were not setting appointments to meet as they normally would.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

It should be noted that during the period under review, there was a significant amount of turnover in many of the senior positions in the Department including several key positions in the fiscal division which turned over more than once. With the complications of being short staffed and working with employees coming into the office on a staggered schedule, the Department was working to accommodate the auditors requests while focusing on the financial stability of the Department, ensuring a rapid response to the COVID-19 crisis, supplying critical PPE to the homes, and balancing many other competing priorities.

In the future, the Department will ensure all requests for information are delivered in a timely fashion or provide written documentation as to why there was a delay.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-002. **FINDING** (Noncompliance with the Quincy Veterans' Home Rehabilitation and Rebuilding Act)

The Illinois Department of Veterans' Affairs (Department) failed to comply with certain provisions of the Quincy Veterans' Home Rehabilitation and Rebuilding Act (Act).

The Act (330 ILCS 21/5) states it is the intent of the General Assembly that the Capital Development Board or the Department be allowed to use the design-build delivery method for public projects to renovate, restore, rehabilitate, or rebuild the Quincy Veterans' Home, if it is shown to be in the State's best interest for that particular project. Section 5 of the Act also requires the Department, prior to issuing requests for proposals, to promulgate and publish procedures for the solicitation and award of contracts pursuant to the Act. We noted the Department did not issue such procedures during the examination period.

Additionally, the Act (330 ILCS 21/60) requires the Office of the Governor, the Capital Development Board, and the Department to provide the General Assembly with unredacted copies of all correspondence and communications with the United States Department of Veterans Affairs (USDVA) related to securing funding for the renovation, restoration, rehabilitation, or rebuilding of the Quincy Veterans' Home within ten days of receipt or within five business days upon request of the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the President of the Senate, the Minority Leader of the Senate, or the chair of any committee of the House of Representatives or the Senate. During the examination period, we noted the Department did not provide any correspondence and communications with the USDVA related to the Quincy Veterans' Home to the parties enumerated within the Act in the General Assembly.

Department management stated the Department utilizes procedures established by the Capital Development Board, but due to staff turnover, the Department did not publish the procedures. In addition, Department management stated the Department communicated with the USDVA regarding new application submissions, current projects checklist requirements, and applications for the Quincy Sunset Cemetery at the Quincy Veterans' Home. Department management stated they had never submitted any of this correspondence to the General Assembly, nor had they ever received a request for that information.

Failure to publish and promulgate procedures for design-build services at the Quincy Veterans' Home and failure to provide correspondence related to the Quincy Veterans' Home with the USDVA to the General Assembly represents noncompliance with the Act, prevents the Department from ensuring its input is included in procedures related to contracts pursuant to the Act, and hinders the General Assembly from receiving updates on communications between the Department and the USDVA. (Finding Code No. 2020-002)

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

**RECOMMENDATION**

We recommend the Department publish the procedures established by the Capital Development Board. Additionally, we recommend the Department ensure all communication with the USDVA is provided to the parties enumerated within the Act.

**DEPARTMENT RESPONSE**

Agreed. The Department has contacted the Capital Development Board to provide a link to the procedures onto the Department's website. In addition, the Department has provided all required communication to the parties enumerated in the Act and implemented a process to ensure future compliance.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-003. **FINDING** (Noncompliance with the Department of Veterans' Affairs Act)

The Illinois Department of Veterans' Affairs (Department) failed to comply with the Department of Veterans' Affairs Act (20 ILCS 2805) (Act).

During the examination period, we noted the Department failed to comply with the Act as follows:

- The Act (20 ILCS 2805/2.07) requires the Department to report to the General Assembly, by January 1 and July 1 of each year, the number of staff employed in providing direct patient care at their veterans' homes, the compliance or noncompliance with staffing standards established by the United States Department of Veterans Affairs for such care, and in the event of noncompliance with such standards, the number of staff required for compliance. The Department could not provide evidence of timely submission for the reports filed in compliance with the July 1, 2018 and July 1, 2019 due dates. The Department filed the report due on January 1, 2020, 21 days late.
- The Department created and incorporated the Illinois Joining Forces Foundation as a not-for-profit foundation as required by the Act (20 ILCS 2805/37(d)). However, the Department was unable to provide evidence it had appointed all members of the Illinois Joining Forces Foundation's executive committee as required by the Act. The Act requires the Foundation's Board of Directors to include "all of the members of the Illinois Joining Forces Executive Committee, who shall be appointed by the Director of Veterans' Affairs." The Act, however, does not specify what members constitute the "executive committee" or what qualifications those persons must have. The statute does specify the Foundation's Board membership for seven Board positions, with one each appointed by the Governor and the four legislative leaders, along with representatives of the Departments of Veterans' Affairs and Military Affairs.
- The Department did not make any appointments to the Veterans' Service-Related Ailments Task Force (Task Force), nor did the Task Force meet at least once every two months during the examination period as required by the Act. The Act (20 ILCS 2805/38) requires the Department establish and appoint members to the Task Force and the Task Force to meet at least once every two months beginning July 1, 2019.

Department management stated that due to the reports related to direct patient care at the veterans' homes being hand-delivered, they could not provide any support to show the date the reports were submitted. Department management indicated that it was not able to provide evidence of the appointments to the Illinois Joining Forces Foundation executive committee due to an inability to locate and provide this evidence. Department management indicated the Department began exploring possible appointments to the Task Force in early Fiscal Year 2020, but did not complete the process before the legislators began to amend the Act to change the report date and structure of the Task Force.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

Department management stated Public Act 101-225 which created the Task Force was effective August 9, 2019, but the Act indicates the meetings were to begin July 1, 2019. Department management stated the Department was instructed it should pause its efforts until the amendments to the Act were enacted. However, the legislation did not pass prior to the end of the examination period.

Failure to timely report to the General Assembly delays the conveyance of requested information to the General Assembly regarding the direct patient care provided in the veterans' homes. Failure to maintain evidence of timely submission hinders the Department's ability to demonstrate compliance with the Act. Failure to appoint all members of the Illinois Joining Forces Foundation's executive committee is non-compliance with the statute. Failure to make appointments to the Task Force and failure to hold Task Force meetings every two months represents noncompliance with the Act and delays the implementation of the purpose of the Task Force, which is to review and make recommendations regarding veterans' service-related ailments that are not recognized by the U.S. Department of Veterans Affairs. (Finding Code No. 2020-003)

**RECOMMENDATION**

We recommend the Department file all required reports, as well as make all required appointments as noted within the Act.

**DEPARTMENT RESPONSE**

Agreed. The Department will ensure that all reports for the years 2018-2021 have been submitted to the General Assembly.

In regard to the Illinois Joining Forces Foundation, the Department has filled all positions in accordance with the Act.

The statute regarding the Veterans Service-Related Ailments Task Force is being changed to reestablish the Task Force and its requirements. The Department will make the required appointments and ensure required meetings take place.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-004. **FINDING** (Noncompliance with the State Services Assurance Act)

The Illinois Department of Veterans' Affairs (Department) failed to add five additional bilingual on-board frontline staff as required by the State Services Assurance Act (Act).

The Department did not increase the number of bilingual on-board frontline staff by five as required by the Act. The Department had no bilingual staff as of June 30, 2007. The Department only had one bilingual staff member as of June 30, 2019 and June 30, 2020. As a result, the requirements of the Act were not met during the examination period.

The Act (5 ILCS 382/3-15) requires that on or before July 1, 2008, the Department shall increase and maintain the number of bilingual on-board frontline staff over the levels that it maintained on June 30, 2007. The Act states the Department shall have at least five additional bilingual on-board frontline staff.

Department management stated, due to competing priorities, they did not have the ability to hire additional bilingual staff during the engagement period.

Failure to have at least five additional bilingual on-board frontline staff prevents fulfillment of the purpose of the Act, which is to increase and maintain the number of bilingual on-board frontline staff over the levels that it maintained on June 30, 2007. (Finding Code No. 2020-004)

**RECOMMENDATION**

We recommend the Department comply with the Act or seek a legislative remedy.

**DEPARTMENT RESPONSE**

Agreed. The Department is in the process of hiring two bilingual front-line employees at our new Chicago Veterans' Home within the next 60 days. We are also in the process of identifying those front-line workers that may already be bilingual throughout our organization in order to satisfy the requirement.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-005. **FINDING** (Noncompliance with the Identity Protection Act)

The Illinois Department of Veterans' Affairs (Department) Identity Protection Policy failed to comply with the Identity Protection Act (5 ILCS 179/37) (Act).

The Department's Identity Protection Policy (Policy) was last revised in 2017. We examined the Policy in response to the requirements of the Act, noting the Policy did not include the following required elements of the Act:

- All employees with access to social security numbers should be trained to protect the confidentiality of those numbers.
- Social security numbers requested from an individual should be placed in a manner to make the number easily redacted if required to be released as part of a public records request.
- Require that, when collecting a social security number or upon request by the individual, a statement of the purpose or purposes for which the agency was collecting and using the social security number be provided.

The Act states each State agency must draft and approve an identify protection policy within 12 months of the effective date of the Act (June 1, 2010). The policy must:

- Identify this Act.
- Require all employees of the State agency identified as having access to social security numbers in the course of performing their duties to be trained to protect the confidentiality of social security numbers.
- Direct only employees who are required to use or handle information or documents that contains social security numbers have access to such information or documents.
- Require social security numbers requested from an individual be placed in a manner that makes the social security number easily redacted if required to be released as part of a public records request.
- Require, when collecting a social security number or upon request by the individual, a statement of the purpose for which the agency is collecting and using the social security number be provided.

Department management indicated the cause for the missing elements within the Department's Identity Protection Policy was understaffing and turnover within the Department.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

These policies and procedures help ensure prompt notification of security breaches to all involved parties in an effort to minimize the potential impact and costs resulting from identity thefts. (Finding Code No. 2020-005)

**RECOMMENDATION**

We recommend the Department revise its existing Policy to ensure it includes all required components of the Act.

**DEPARTMENT RESPONSE**

Agreed. The Department is in the process of updating its policy on identity theft and security breaches. Once completed it will be in compliance with the components of the Act.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-006. **FINDING** (Noncompliance with Statutory Reporting)

The Illinois Department of Veterans' Affairs (Department) failed to comply with its statutory reporting requirements.

During our examination, we noted the following exceptions with the Department's statutory reporting requirements:

- The Department failed to submit its Fiscal Year 2019 and 2018 annual reports to the Governor's Office, which were required to be submitted during the examination period. According to the State Finance Act (30 ILCS 105/3), this annual report should be submitted no later than 10 days preceding the calendar year in which the General Assembly regularly convenes.
- The Department failed to timely submit its 2019 program and indicator worksheets to the Office of the State Comptroller (Comptroller). The worksheets were submitted 12 days late. At the time, the Statewide Accounting Management System (SAMS) (Procedure 33.20.20) required agencies to submit a list of all programs administered by the agency, as well as a list of the specific performance measures (Input Indicators, Outcome Indicators, External Benchmarks, Output Indicators and Efficiency/Cost Effectiveness Indicators) to the Comptroller by August 15 of each fiscal year. Effective January 1, 2021, SAMS (Procedure 33.20.20) requires agencies to submit a list of all programs administered by the agency, as well as a list of the specific performance measures (Input Indicators, Output Indicators, Outcome Indicators, Efficiency Indicators, and External Benchmarks) to the Comptroller by September 15 of each fiscal year.
- The expenditure amounts by program on the Department's 2019 Service Efforts and Accomplishments report did not agree to the Department's supporting records or the Comptroller's expenditure data. We noted total discrepancies of \$15,164,100 between the amounts reported by the Department and the Comptroller's records. SAMS (Procedure 33.20.20) requires agencies to substantiate their Service Efforts and Accomplishments reports by maintaining adequate and appropriate documentation to support their mission statements, goals, objectives, and performance measures. Additionally, the State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Department management stated they failed to submit the annual reports to the Governor's Office and the 2019 program and indicator worksheets to the Comptroller due to oversight and a misunderstanding of their responsibilities under the State Employment Records Act. Additionally, Department management stated the expenditure discrepancy in the 2019 Service Efforts and Accomplishments report was the result of non-appropriated expenditures being incorrectly allocated to each reported program using a ratio of expenditures.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

The purpose of annual reporting is to inform the Governor's Office of the Department's annual activities. Failure to submit the annual reports to the Governor's Office prevents the Department from communicating these efforts. The purpose of the Public Accountability Report is to provide information on the service efforts, costs, and accomplishments of State agencies and their major programs. Failure to timely submit Public Accountability Report data to the Comptroller delays the Comptroller from posting the performance measures and results on the Comptroller's Website. Failure to report accurate figures within the Public Accountability Reports can lead to misinformation at the State level. (Finding Code No. 2020-006)

**RECOMMENDATION**

We recommend the Department submit the Fiscal Year 2019 and 2018 annual reports to the Governor's Office and retain proper documentation of the submission. We also recommend the Department ensure its annual reports are submitted to the Governor's Office timely. Finally, we recommend the Department ensure the accuracy of expenditure amounts reported on its Service Efforts and Accomplishments reports.

**DEPARTMENT RESPONSE**

Agreed. The Department will create a "tickler" file to ensure that all deadlines and due dates are shared with all reporting requirements. When the new Financial Reporting Manager is hired, they will review all deadlines and commit to getting these done timely and properly documenting. The Department has submitted the 2018 and 2019 annual reports to the Governor's Office and retained documentation.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-007. **FINDING** (Weaknesses Noted in the Department's Internal Audit Function)

The Illinois Department of Veterans' Affairs (Department) did not exercise adequate controls over its internal audit function.

We noted the following during our examination:

- The Department's Office of Internal Audit conducted one internal audit during Fiscal Years 2019 and 2020. Within this audit, none of the eleven major event/transaction cycles identified in the Statewide Accounting Management System (SAMS) manual were addressed to ensure major systems were reviewed at least once every two years. The Fiscal Control and Internal Auditing Act (FCIAA) (30 ILCS 10/2003) requires the chief executive officer of each designated State agency to ensure the internal auditing program includes audits of major systems of internal and administrative control conducted on a periodic basis so that all major systems are reviewed at least once every two years. SAMS (Procedure 02.50.20) identifies the eleven FCIAA major event/transaction cycles as agency organization and management, administrative support services, budgeting, accounting and reporting, purchasing, expenditure control, personnel and payroll, property, equipment, and inventories, revenues, receivables and cash, petty cash and local funds, grant administration and electronic data processing.
- The internal audit report tested did not contain a stated opinion, the signature of the internal auditor who conducted the audit, or appropriate FCIAA coverage. Additionally, the workpapers provided for the audit did not include work performed. Therefore, the audit did not appear to be conducted in accordance with *International Standards for the Professional Practice of Internal Auditing (IIA Standards)*. *IIA Standards* require the chief audit executive to develop risk-based plans to determine the priorities of the internal audit activities as well as document information to support the engagement results and conclusions. *IIA Standards* also require the chief audit executive to communicate the results of the engagements, including, where appropriate, an internal auditor's opinion.
- The LaSalle and Quincy Veterans' Homes had petty cash reimbursements exceeding a total of \$5,000 for Fiscal Year 2019, but no internal audits of petty cash were performed for those homes in Fiscal Year 2019. The State Finance Act (30 ILCS 105/13.3) requires an internal audit to be performed for any petty cash fund that receives reimbursements exceeding \$5,000 in a fiscal year.
- The Department failed to develop and maintain a quality assurance and improvement program for its internal audit function due to not having an external assessment conducted within a five-year period. As of June 30, 2020, the external assessment was considered five years late. Additionally, the Department did not conduct an internal assessment during the examination period.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

The Fiscal Control and Internal Auditing Act (FCIAA) (30 ILCS 10/2005) established the Internal Audit Advisory Board that is responsible for promulgating a uniform set of professional standards with which all State internal auditors must comply. The State Internal Audit Advisory Board (SIAAB) Bylaws also state the Board adopted the International Standards for the Professional Practice of Internal Auditing effective January 1, 2017 as the auditing standards for Internal Audit Organizations in the Illinois State government. Lastly, the *IIA Standards* require the Chief Audit Executive to develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. A requirement of this program is to have both internal and external assessments. External assessments are required once every five years.

Department management stated the exceptions were due to prolonged turnover in the internal audit division, as well as competing priorities.

Incomplete auditing of all major internal control systems increases the risk that significant internal control weaknesses will exist, and errors and irregularities may go undetected. Failure to maintain documentation and include all report requirements is noncompliance with professional standards. Additionally, failure to conduct internal and external assessments of the internal audit function results in a quality assurance program that is noncompliant with *IIA Standards*, SIAAB Bylaws and the Fiscal Control and Internal Auditing Act. (Finding Code No. 2020-007)

**RECOMMENDATION**

We recommend the Department ensure audits of all major systems of internal accounting and administrative control are conducted at least once every two years, as well as an external assessment once every five years, as required by FCIAA. We also recommend the Department ensure the internal audit reports comply with *IIA Standards*, and the Department perform audits over petty cash funds as required by statute. Finally, we recommend the Department perform an internal assessment and obtain an external assessment of its internal audit function.

**DEPARTMENT RESPONSE**

Agreed. The Department's Chief Internal Auditor position was vacant for an extended time. It has been filled and the audit staff are working to get the Department back into compliance with FCIAA.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-008. **FINDING** (Employee Performance Evaluations Not Performed Timely)

The Illinois Department of Veterans' Affairs (Department) failed to complete annual performance evaluations timely.

During the examination period, the Department did not timely complete annual evaluations for 22 of 40 (55%) employees tested. Employee evaluations were completed between four and 116 days late. We also noted the evaluation period did not agree to the evaluation date on the evaluation form for one of 40 (3%) employee tested.

Weaknesses related to conducting employees' performance evaluations were first noted during the compliance examination of the two years ended June 30, 2008. The Department has yet to rectify the weaknesses initially reported at that time.

Personnel rules issued by the Department of Central Management Services (80 Ill. Adm. Code 302.270(d)) (Code) require an evaluation of employee performance by each agency not less often than annually.

Department management stated the issues noted were due to lack of sufficient effort by employee managers due to competing priorities.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. (Finding Code No. 2020-008, 2018-002, 2016-002, 2014-007, 12-19, 10-22, Central Office – 08-9, LaSalle – 08-3, Manteno – 08-3)

**RECOMMENDATION**

We recommend the Department take appropriate measures to ensure performance evaluations are conducted timely.

**DEPARTMENT RESPONSE**

Agreed. The Department is in the process of holding its supervisors more accountable for the timeliness of employee evaluations. Additionally, each supervisor will be required to meet with employees in their charge on a monthly basis. This will put a greater priority on employee development while also putting more emphasis on timeliness of evaluations. The Department will also provide training on evaluations and goal setting for all supervisors.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-009. **FINDING** (Failure to Ensure Employees Completed Mandatory Training)

The Illinois Department of Veterans' Affairs (Department) did not comply with training requirements in accordance with the State Officials and Employees Ethics Act (5 ILCS 430/5-10), the Identity Protection Act (5 ILCS 179/37), and the Data Security on State Computers Act (20 ILCS 450/25).

During our testing of the Department's special training, we noted the following exceptions:

- Two of 40 (5%) employees tested did not complete new hire ethics training.
- Three of 40 (8%) employees tested did not complete the 2019 annual ethics training.
- Two of 40 (5%) employees tested did not complete new hire sexual harassment training.
- Two of 40 (5%) employees tested did not complete the 2018 annual sexual harassment training.
- Four of 40 (10%) employees tested did not complete the 2019 annual sexual harassment training.
- Two of 40 (5%) employees tested did not complete the 2019 annual confidentiality training.
- Seven of 40 (18%) tested employees did not complete the 2019 annual cybersecurity training.

The State Officials and Employees Ethics Act (5 ILCS 430/5-10) (Act) requires every new employee to complete ethics training within 30 days of hire and complete ethics training each calendar year. The Act (5 ILCS 430/5-10.5) also requires every new employee to complete a harassment and discrimination prevention training program within 30 days of hire and a harassment and discrimination prevention training program annually.

The Identity Protection Act (5 ILCS 179/37) requires all employees identified as having access to social security numbers in the course of performing their duties to be trained to protect the confidentiality of social security numbers. Training should include instructions on handling of information that contains social security numbers from the time of collection through destruction of the information.

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.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

Department management stated employees did not complete the required training due to employee turnover and oversight.

Failure to monitor and determine completion of required training results in noncompliance with laws, rules, and internal policies, could result in a workforce that is not adequately trained to fulfill required duties, and may expose the State to potential liability. (Finding Code No. 2020-009)

**RECOMMENDATION**

We recommend the Department strengthen controls surrounding employee training requirements and maintain proper documentation that such training occurred.

**DEPARTMENT RESPONSE**

Agreed. The Department is in the process of updating the way it tracks required training for new employees in order to ensure they comply within the first 30 days of being hired. Department Managers will work with the supervisors to conduct monthly and quarterly checks to make sure that all required employee training is completed.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-010. **FINDING** (Inadequate Controls over Personal Services)

The Illinois Department of Veterans' Affairs (Department) failed to maintain documentation for personnel and payroll activities for its employees.

During our testing in personal services, we noted the following:

- Section 2 of the Employment Eligibility Verification (Form I-9) was not completed for one of 40 (3%) employees tested.
- The signed authorization forms for union dues were not on file for three of 40 (8%) employees tested.
- The Department was unable to provide support of the annual certification of automobile liability coverage for 17 of 18 (94%) employees tested.
- The Department was unable to provide support of the fringe benefits received for calendar years 2018 and 2019 related to the employees' personal use of State vehicles for 14 of 18 (78%) employees tested.

According to the instructions for Form I-9 published by the Department of Homeland Security (OMB No. 1615-0047), employers must complete and sign Section 2 within three business days of the employee's first day of employment attesting they physically examined the document(s) presented by the employee, the document(s) reasonably appear to be genuine and relate to the employee named, the employee is authorized to work in the United States, and the information entered in Section 2 is complete, true and correct. The employer is responsible for ensuring that all parts of Form I-9 are properly completed.

Executive Order 2018-09 requires the State to obtain the employee's affirmative consent to withhold union dues before collection payment for union dues.

The State Records Act (5 ILCS 160/8) (Act) requires the Department to preserve records containing adequate and proper documentation of the Department designed to protect the legal and financial rights of the State and of persons directly affected by the Department's actions.

The Illinois Vehicle Code (625 ILCS 5/7-601(c)) requires employees assigned a specific State vehicle on an ongoing basis to provide annual certification to the Director of the Department affirming the employee is duly licensed to drive the assigned vehicle and the employee has liability insurance coverage extending to the employee when the assigned vehicle is used for other than official State business. 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, whichever is later.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

Department management stated the exceptions noted were due to competing priorities, oversight and human error.

Failure to complete Section 2 of Form I-9 represents noncompliance with Federal regulations and could result in unauthorized individuals being employed by the Department. Failure to maintain appropriate documentation of employees' authorized payroll deductions increases the risk of inaccurate deductions being made from employee salaries and represents noncompliance with Executive Order 2018-09 and the Act. Failure to maintain employees' annual certifications of licensure and liability coverage impairs the Department's ability to demonstrate compliance with State law and could expose the Department to unnecessary litigation risks. Furthermore, failure to provide all required documentation to show proper certification is on file and fringe benefits received represents noncompliance with the State Records Act. (Finding Code No. 2020-010)

**RECOMMENDATION**

We recommend the Department strengthen controls surrounding the maintenance of personnel documentation.

**DEPARTMENT RESPONSE**

Agreed. The Department has initiated an online training platform to address this issue. In addition, it will conduct random spot checking on I-9 forms that are submitted. We have also added the I-9 form to our checklist for employment packets to confirm the document is complete.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-011. **FINDING** (Inaccurate Agency Workforce Reports)

The Illinois Department of Veterans' Affairs (Department) did not file accurate Agency Workforce Reports (report) with the Office of the Governor and the Office of the Secretary of State.

We tested both of the reports required to be filed during the examination period and noted the Fiscal Year 2019 report contained mathematical inaccuracies regarding percentages across multiple categories. After performing recalculations of the percentages provided by the Department, we determined the amounts calculated did not match the amounts submitted on the report. In addition, the Department was unable to provide support for certain amounts reported on the Fiscal Year 2018 and 2019 reports. We could not verify amounts or proper classifications of employees reported within the categories detailed with the reports.

In addition, as reported in the prior year examination report as Finding Code No. 2018-003, it was noted the Fiscal Year 2016 report contained mathematical inaccuracies regarding percentages across multiple categories. Documentation of the submission of the corrected 2016 report was not provided by the Department as required by the Illinois State Auditing Act.

This finding was originally reported during the compliance examination for the two years ended June 30, 2010. The Department has not implemented sufficient corrective action to rectify these reporting issues since the original reporting year.

The State Employment Records Act (5 ILCS 410 *et seq.*) requires State agencies to collect, classify, maintain, and report certain employment statistics for women, disabled and minority groups. Annual reports summarizing the information in a prescribed format are required to be filed by January 1 each year for the preceding fiscal year with the Office of the Secretary of State and with the Office of the Governor.

The Illinois State Auditing Act (30 ILCS 5/3-2.2) requires State agencies to file corrected reports with the Office of the Governor and the Office of the Secretary of State within 30 days after release of the audit.

Department management cited employee turnover and oversight. Department management stated former staff did not retain the supporting documentation for the Fiscal Year 2018 report.

Failure to provide complete and accurate reports to both the Office of the Secretary of State and the Office of Governor prevents fulfillment of the purposes of the State Employment Records Act, which is to provide information to help guide efforts to achieve a more diversified State work force. (Finding Code No. 2020-011, 2018-003, 2016-003, 2014-009, 12-20, 10-16)

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

**RECOMMENDATION**

We recommend the Department prepare accurate and complete reports and file them with the Office of the Secretary of State and the Office of the Governor. Further, we recommend the Department file corrected reports within 30 days of audit release as required by the Illinois State Auditing Act and maintain evidence of submission.

**DEPARTMENT RESPONSE**

Agreed. The Department has verified that all formulas in the spreadsheet are correct and will ensure all filed reports are accurate.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-012. **FINDING** (Inadequate Controls Over the Approval and Preparation of Vouchers)

The Illinois Department of Veterans' Affairs (Department) did not exercise adequate controls over the approval or preparation of vouchers.

During our testing of vouchers, we noted the following:

- Seven of 180 (4%) vouchers tested, totaling \$11,966, were not approved within 30 days. The vouchers were approved between one and 22 days late.
- Two of 60 (3%) vouchers tested, totaling \$35,132, were not supported by a purchase order/requisition or receiving report.
- One of 60 (2%) vouchers tested, totaling \$29,759 was not recorded in the correct fiscal year.
- One of 60 (2%) vouchers tested, totaling \$38,146 was paid more than 90 days late and the Department could not confirm whether an interest payment was made.
- Two of 60 (3%) vouchers tested, totaling \$60,611, represented purchases of two washing machines and a 64-channel cable TV system which could not be located on the Department's property control records.
- One of 60 (2%) vouchers tested, totaling \$44,907, for a Bobcat 5600 Toolcat and pallet forks was listed at twice its actual value within the Department's property control records.
- Ten of 60 (17%) vouchers tested, totaling \$344,804, for a variety of assets could not be located on the Department's Annual Inventory Report to the Department of Central Management Services (CMS).

The Illinois Administrative Code (74 Ill. Admin. Code 900.70) (Code) requires the Department to approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt.

The State Records Act (5 ILCS 160/8) requires the Department to maintain records containing adequate and proper documentation of the functions, procedures, and essential transactions of the Department to protect the legal and financial rights of the State.

The State Finance Act (30 ILCS 105/25) states, "All appropriations shall be available for expenditure for the fiscal year..." The Office of the State Comptroller's Accounting Bulletins #226 & 239 require that obligations established against current expenditure authority after June 30 must represent liabilities outstanding at June 30 and the services must have been contracted for prior to July 1.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

The State Prompt Payment Act (30 ILCS 540/3-2(1.05)) requires any bill approved for payment to be paid within 90 days of receipt of a proper bill or invoice. If payment is not made within 90 days, then an interest penalty of 1.0% of the approved amount is applied for each month after the 90-day period (0.033% per day).

The State Property Control Act (30 ILCS 605) requires the Department to maintain a permanent record of all items of property. Additionally, this Act requires the Department to perform a physical inventory check annually, and then certify that inventory to the administrator (CMS) with a full accounting of all errors reported within the inventory listing.

The Code (44 Admin Code 5010.460) requires the Department to submit a report to CMS of all equipment items with a value greater than the nominal value (30 ILCS 605/6.02 defines the nominal value as any item with a value of \$1,000 or less) and equipment that is subject to theft.

Department management stated the exceptions noted were due to employee turnover within the Department, staff shortages, as well as employee oversight.

Failure to promptly approve vouchers may result in the late payment of bills and could cause the State to pay interest penalties. Additionally, failure to process vouchers accurately as required by statute and the Code represents noncompliance and could result in incomplete financial records and misappropriated assets. (Finding Code No. 2020-012, 2018-009)

**RECOMMENDATION**

We recommend the Department strengthen controls to ensure compliance with the Code, the State Records Act, the State Finance Act, the State Prompt Payment Act, the State Property Control Act when processing vouchers in order to safeguard State resources and correctly report fiscal information to the Office of the State Comptroller.

We recommend the Department take action to comply with State laws and regulations over its voucher processing function, including:

- reviewing and approving or denying vendor bills within 30 days from receipt;
- ensuring vouchers are properly supported and mathematically accurate;
- ensuring voucher expenditures are recorded in the correct fiscal year;
- ensuring interest due is paid to vendors; and,
- ensuring purchased equipment is appropriately added to property control records at its correct value and properly recorded on the Annual Inventory Reports to CMS.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

**DEPARTMENT RESPONSE**

Agreed. The Department will ensure policies reflect requirements to ensure tracking and processing of all vouchers are completed in a timely manner to meet all reporting requirements. Additional training and counseling of fiscal employees was also conducted. A physical inventory process was done to ensure property records were updated to current status and removal of items found to be Lost or Not Found.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-013. **FINDING** (Weaknesses in Performing Reconciliations)

The Illinois Department of Veterans' Affairs (Department) had weaknesses in performing reconciliations of obligations, contracts, object expense/expenditures, revenues, and appropriations to the Office of the State Comptroller (Comptroller) records.

We noted the following exceptions as a result of our testing of the reconciliations performed by the Department during the examination period:

- The Department did not perform reconciliations of the Monthly Object Expense/Expenditure by Quarter Report (SA02) during the examination period for any of the veterans' homes or the Central Office.
- During testing of the Department's Monthly Appropriation Status Report (SB01) reconciliations, we noted five of 24 (21%) reconciliations tested were not performed accurately, showing appropriation codes that did not reconcile. The Department could not demonstrate timely reconciliation of two of 24 (8%) reconciliations tested because the reconciliations were not dated as of their completion. The Department could not provide two of 24 (8%) reconciliations.
- The Department did not perform Monthly Agency Contract Report (SC14) reconciliations for any of the veterans' homes or the Central Office for the examination period.
- The Department only provided Monthly Obligation Activity Report (SC15) reconciliations for the examination period for the Manteno Veterans' Home. No SC15 reconciliations were provided for the remaining veterans' homes or the Central Office for the examination period.
- The Department did not complete the April 2020 Monthly Revenue Status Report (SB04) for the LaSalle Veterans' Home Fund (0272) and GI Education Fund (0447) within 60 days of month end as required by the Statewide Accounting Management System (SAMS) (Procedure 25.40.10). The reconciliations were performed 77 and 98 days late. Additionally, the April 2020 and June 2020 reconciliations for the General Revenue Fund (0001) were not performed accurately, showing receipt source codes that did not reconcile.

These weaknesses were first noted during the compliance examination for the two years ended June 30, 2016. The Department has been unsuccessful in implementing corrective action during the subsequent examinations.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

SAMS (Procedure 07.30.20) states agency reconciliations are the primary control that ensures certain requirements are being satisfied. Agencies must reconcile to the SAMS on a monthly basis and notify the Comptroller of any irreconcilable differences so that necessary corrective action can be taken to locate the differences and correct the accounting records. These reconciliations must be completed within 60 days of the month end. The Comptroller provides each agency which has had activity during the month with up to seven reconciliation reports. SAMS identifies the following key reports for agency reconciliations:

- Monthly Object Expense/Expenditures by Quarter – Report SA02 (Procedure 07.30.21)
- Monthly Appropriation Transfers Report – Report SB03 (Procedure 07.30.24)
- Monthly Cash Report – Report SB05 (Procedure 09.40.10)
- Monthly Appropriation Status – Report SB01 (Procedure 11.40.10)
- Monthly Agency Contract Report – Report SC14 (Procedure 15.30.10)
- Monthly Obligation Activity Report – Report SC15 (Procedure 15.30.20)
- Monthly Revenue Status – Report SB04 (Procedure 25.40.10)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(4)) 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 fund 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 State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the functions and procedures of the Department.

Department management stated the exceptions noted were due to employee turnover within the fiscal department, as well as competing priorities in place.

Failure to document when reconciliations were performed prevents the Department from adequately monitoring its internal controls over timely completion of reconciliations as well as ensuring compliance with SAMS. Failure to perform accurate and timely reconciliations is noncompliance with SAMS and increases the risk differences will go undetected and uncorrected. (Finding Code No. 2020-013, 2018-005, 2016-005)

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

**RECOMMENDATION**

We recommend the Department strengthen internal controls over expenditures, receipts, contractual and cash reconciliations to ensure they are performed timely and accurately. Furthermore, we recommend the Department document the dates all monthly report reconciliations are completed and timely notify the Comptroller of any differences noted.

**DEPARTMENT RESPONSE**

Agreed. Fiscal Management is creating a policy to address reconciliations. This will be maintained as needed going forward. Fiscal staff are being trained appropriately on how to run the reports and document completion of required reviews.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-014. **FINDING** (Inadequate Controls Over the Reporting, Recording, and Inventorying of State Property)

The Illinois Department of Veterans' Affairs (Department) did not exercise adequate control over the reporting, recording, and inventorying of State property.

We noted the following during our examination of the Department's equipment records and controls over property:

- During our testing of the Department's preparation of the Agency Report of State Property (C-15), we noted errors in eight of eight (100%) quarters tested. Specifically:
  - Additions were inaccurately reported on the C-15 based upon Department records.
  - Deletions and transfers-out were inaccurately reported on the C-15 based upon Department records. In addition, the Department inappropriately entered deletions on the C-15 for three quarters as a negative balance.

As a result of the above errors, we noted the following likely differences between the amounts reported on the C-15s and those which should have been reported based on Department records:

Transaction	Fiscal Year 2019	Fiscal Year 2020	Total
<b><i>Additions</i></b>			
Additions Per Testing	\$ 1,218,976	\$ 1,448,242	\$ 2,667,218
Additions Per C-15s*	934,566	1,607,167	2,541,733
Difference	284,410	(158,925)	125,485
<b><i>Deletions</i></b>			
Deletions Per Testing	820,848	491,258	1,312,106
Deletions Per C-15s	618,079	(291,051)	327,028
Difference	202,769	782,309	985,078
<b><i>Transfers**</i></b>			
Transfers Out Per Testing	-	(162,297)	(162,297)
Transfers Out Per C-15s	-	(442,549)	(442,549)
Difference	-	(280,252)	(280,252)

\*Additions per C-15s excluding capital lease additions

\*\*Exceptions noted in Transfers Out

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

In addition, we noted differences between the posting dates and depreciation dates for some assets in the Department's Enterprise Resource Planning (ERP) system. Department personnel explained, at times, when the Department locates an asset already in its possession for a period of time that has not been entered into ERP, the Department will add those assets to ERP in the current period, and backdate the asset's depreciation date so the depreciation is accurately calculated based on when the Department actually took possession of the asset. Department personnel stated that this is done in order to not restate the beginning balances on financial reports for items which the Department deems to be immaterial. The Department could not explain the other differences.

During our C-15 reasonableness testing, we noted eight quarters, totaling \$202,905, where the additions per the Departments expenditures were less than those on the C-15s. The Department stated the differences were due to the C-15s not being prepared accurately, and going forward, it is working on a solution for accurate reporting.

The Schedule of Changes in Property (Schedule 7) was not corrected for the above errors.

The Statewide Accounting Management System (SAMS) (Procedure 29.20.10) provides instructions for preparing the C-15. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(4)) 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.

- Seventeen of 40 (43%) deletions tested, totaling \$9,907, were transferred to surplus, but the Department did not have any supporting documentation for the transfer. Therefore, we could not verify whether the assets were timely removed from the Department's property records or whether the Department reported the appropriate information to the receiving agency. The State Property Control Act (30 ILCS 605/4) requires the Department be accountable for the supervision, control and inventory of all property under its jurisdiction and control.

At the time, the Illinois Administrative Code (44 Ill. Admin. Code 5010.400) required the Department to adjust property records within 30 days of acquisition, change, or deletion of equipment items. Effective May 3, 2019, the Illinois Administrative Code (44 Ill. Admin. Code 5010.400) required the Department to adjust property records within 90 days of acquisition, change, or deletion of equipment items. The State Records Act (5 ILCS 160/9) requires the Department to establish and maintain an active, continuing program for the economical and efficient management of the records of the Department.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

- Ten of 40 (25%) additions tested were not added to the Department's property records timely, ranging from two to 722 days late. Additionally, one of 40 (3%) items was recorded on the property records twice, resulting in the Department's property records being overstated by \$44,907. The State Property Control Act (30 ILCS 605/4) requires the Department be accountable for the supervision, control and inventory of all property under its jurisdiction and control.
- The Department conducts an annual physical inventory of all equipment with an acquisition cost of \$1,000 or more or is susceptible to theft and annually reports its results to the Department of Central Management Services (CMS). In its Fiscal Year 2019 Annual Inventory Report to CMS, the Department reported it was unable to locate 491 items totaling \$522,934. This represented 5% of the Department's total property. Nine of these items were IT equipment items which the Department noted upon its assessment could potentially contain confidential information. However, this number could potentially be higher. In its Fiscal Year 2020 Annual Inventory Report submitted to CMS, the Department reported it was unable to locate 371 items totaling \$223,491. This represented 2% of the Department's total property. Seventeen of these items were IT equipment items which the Department noted could potentially contain confidential information. During testing of the 2020 Annual Inventory Report, we noted the value of the 371 unlocated items to be \$271,810. Department management stated the difference was due to items from the prior year inventory that had been marked as missing having not been removed from inventory records.

The Illinois Administrative Code (44. Ill. Admin. Code 5010.490) requires agencies to report all discrepancies between the previous certificate of inventory certification and the current inventory to CMS, as well as ensuring the discrepancy ratios include the total value of discrepancies noted. The Department noted that its policy is to not store confidential information on devices that are not encrypted, but it does not know if this practice was followed. The State Property Control Act (30 ILCS 605/4 and 6.02) requires the Department be accountable for the supervision, control and inventory of all items under its jurisdiction and control. In addition, the Department has the responsibility to ensure that confidential information is protected from disclosure and that provisions in the Personal Information Protection Act (815 ILCS 530) are followed.

- In our testing of depreciation calculated by the ERP system, we noted two assets that were initially recorded at double their actual cost. The assets were recorded at \$10,450 each, but should have been recorded at \$5,225 each instead. The error resulted in a \$10,450 overstatement of the Department's property records. The State Property Control Act (30 ILCS 605/4) requires the Department be accountable for the supervision, control and inventory of all property under its jurisdiction and control. The State Records Act (5 ILCS 160/9) requires the Department to establish and maintain an active, continuing program for the economical and efficient management of the records of the Department.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

- In our testing of lease agreements, we noted one instance where the lease description was left blank. Additionally, we noted two of three (67%) lease agreements tested did not have an obligation number entered on the Leases-Lessee Form (SCO-560). The Statewide Accounting Management System (SAMS) (Procedure 27.20.60) provides instructions for preparing the SCO-560.
- Exceptions noted during our testing of the Department's property records included:

No. of Items Tested	Exceptions		Description of Exceptions
	No.	%	
<b>Central Office</b>			
20	3	15%	Could not locate a folding machine, security camera, and Lenovo laptop with a total cost of \$23,488.
20	2	10%	A router and a shredder were located but could not be traced to the Department's property listing. We were unable to determine the cost of these items.
20	1	5%	A server with a cost of \$3,875 was not included on the Annual Inventory Report to CMS.
<b>Anna Veterans Home</b>			
20	1	5%	An iPad Pro tablet with a total cost of \$1,200 was not included on the Annual Inventory Report to CMS.
<b>LaSalle Veterans' Home</b>			
20	1	5%	Phone system hardware with a cost of \$42,523 was transferred to the Department of Innovation and Technology (DoIT) in December 2019, but was still listed on the Department's property listing at June 30, 2020.
20	7	35%	A TV, sound system, blanket warmer, floor mat, step machine, lounge chair, and Hi Lo stand were not included on the Annual Inventory Report to CMS. The total value of these items was \$31,724.
<b>Manteno Veterans' Home</b>			
20	2	10%	A steamer and 12-passenger bus with a cost of \$126,943 were not listed on the Annual Inventory Report to CMS.
<b>Prince Veterans' Home</b>			
20	2	10%	A pool table and conference table with a cost of \$5,758 were not listed on the Annual Inventory Report to CMS.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

No. of Items Tested	Exceptions		Description of Exceptions
<b>Quincy Veterans' Home</b>			
40	13	33%	A TV system, lift, x-ray machine, wheelchair washer, Dodge Caravan, food cart, video system, Ford F-350, drinking fountain, fork lift, excavator, golf cart, and label printer with a cost of \$182,641 were not listed on the Annual Inventory Report to CMS.
<b>Field Services Offices</b>			
18	6	33%	Three safes, an office chair, a printer, and a laptop were located but not included on the Department's property records. The value of these items could not be determined.
18	4	22%	A scanner, Dodge Caravan, and two retractable banners could not be located at the respective offices. The value of these items was \$19,912.

The State Property Control Act (30 ILCS 605/4) requires the Department to maintain accountability for the supervision, control, and inventory of all property under its jurisdiction to ensure the proper accounting and safeguarding of State assets. SAMS (Procedure 29.10.10) requires the Department to retain detailed records including the organization unit charged with the custody of each item, as well as the location of each item of property and equipment controlled by the Department. The Illinois Administrative Code (44 Ill. Adm. Code 5010.210) requires all equipment, regardless of value, to be clearly marked to indicate it is the property of the State of Illinois.

- As noted in Finding No. 2020-012, the Department improperly processed property-related vouchers which resulted in the following exceptions:
  - One of 60 vouchers (2%) tested, totaling \$44,907, for a Bobcat 5600 Toolcat and pallet forks was listed at double its value within the Department's property control records.
  - Ten of 60 vouchers (17%) tested, totaling \$344,804, for a variety of assets could not be located on the Annual Inventory Report to CMS.

The State Property Control Act (30 ILCS 605) requires the Department to maintain a permanent record of all items of property. Additionally, this Act requires the Department to perform a physical inventory check annually, and then certify that inventory to the administrator (CMS) with a full accounting of all errors reported within the inventory listing. The Illinois Administrative Code (44 Admin Code 5010.460) requires the Department to submit a report to CMS of all equipment items with a value greater than the nominal value (30 ILCS 605/6.02 defines the nominal value as any item with a value of \$1,000 or less) and equipment that is subject to theft.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

These weaknesses were first noted during the compliance examination for the two years ended June 30, 2008. In the subsequent examinations the Department has not been successful implementing corrective action.

Department management stated the exceptions were again due to human error and Department turnover in property control/reporting positions. Department management indicated the Department's property control coordinator position was vacant for most of Fiscal Year 2019.

Failure to exercise adequate control over property and maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. Failure to follow up on missing property results in erroneous property control records and increases the risks associated with the potential exposure of confidential personal information. Inaccurate property reporting reduces the reliability of Statewide property information. (Finding Code No. 2020-014, 2018-001, 2016-001, 2014-001, 12-9, 10-9, Central Office – 8-15, Anna - 08-2, LaSalle - 08-2, Manteno - 08-2).

**RECOMMENDATION**

We recommend the Department strengthen internal control over the recording and reporting of State property by strengthening its inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements.

**DEPARTMENT RESPONSE**

Agreed. The C-15 report is now being compiled based on the instructions located in the SAMS manual. Previous reporting contained incomplete/incorrect data. Fiscal Management met with the Comptroller to ensure consistency and accuracy going forward for the C-15 reporting. A major contributing factor was the turnover of a key position in the fiscal division which turned over more than once.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-015. **FINDING** (Inaccurate Reporting of Emergency Purchases)

The Illinois Department of Veterans' Affairs (Department) did not exercise adequate control over a procurement as required by the Illinois Procurement Code (Code) (30 ILCS 500).

The Department made five emergency purchases, totaling \$996,889, during the examination period. During our testing of the Department's emergency purchases, we noted the Department did not comply with emergency purchase requirements for one (20%) emergency purchase totaling \$198,759. From 2013 through June 30, 2018, the Department contracted with a vendor utilizing the sole source exception to competitive bidding. During Fiscal Year 2018, the Department was notified by the Chief Procurement Officer (CPO) that a competitive procurement would be required for Fiscal Year 2019 services. However, the Department failed to competitively solicit these services for Fiscal Year 2019 and did not timely utilize either sole source or emergency purchase procedures. Further, the Department did not enter into a contract for the Fiscal Year 2019 services until June 20, 2019 – ten days before the end of the fiscal year, at which time the Department declared an emergency purchase retroactive to the beginning of the fiscal year. The Department received services throughout Fiscal Year 2019 from the vendor without a written contract in place. During this time, the Department was billed monthly by the vendor. The Department paid the amount billed after entering into the emergency contract with the vendor at the end of Fiscal Year 2019. At that time, the Department also was billed and remitted \$6,626 of late payment interest to the vendor.

In the previous examination, the Illinois Procurement Bulletin reference numbers listed on the online electronic bulletins for two of seven (29%) emergency purchases tested did not correspond to the Emergency Purchase Affidavits submitted by the Department. We did not note exceptions of this type during the current examination.

This finding was originally reported during the compliance examination for the two years ended June 30, 2014. The Department has not implemented sufficient corrective action to rectify these reporting issues since the original reporting year.

The Code (30 ILCS 500/20-5) requires State contracts to be competitively awarded unless an exception applies, such as sole source or emergency purchases. Per the Code (30 ILCS 500/20-30(a)), emergency purchases are limited to 90 calendar days unless extended following a public hearing and written justification. The Code (30 ILCS 500/20-30(b)) also requires notice of all emergency procurements to be provided to the Procurement Policy Board and published in the online electronic Bulletin no later than five calendar days after the contract is awarded. Additionally, the Code (30 ILCS 500/20-80(d)) prohibits the payment of vendors for any supplies that were received or services that were rendered before the contract was reduced to writing and signed by all necessary parties, unless it is an emergency purchase procured in accordance with the requirements of the Code.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

The Fiscal Control and Internal Auditing Act (FCIAA) (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 stated the exceptions were related to the turnover in the Agency Procurement Officer (APO) position. The Department had hired a new APO toward the end of Fiscal Year 2018, and had been without an APO for 15 months previously. This turnover caused issues in Fiscal Year 2019. Department management stated the interest payments were most likely caused by the late filing of the questioned contract, as the interest is calculated from the invoice date to the payment date.

Failure to properly procure services pursuant to the Code represents noncompliance with the Code and can result in a possible mismanagement of State funds, and lack of public oversight. (Finding Code No. 2020-015, 2018-004, 2016-004, 2014-004)

**RECOMMENDATION**

We recommend the Department conduct competitive procurements in compliance with the Code or follow requirements for exceptions to competition.

**DEPARTMENT RESPONSE**

Agreed. Emergency procurements must be used as a last resort for the Department. Due to a lack of staffing and significant turnover of the procurement staff at the Department, there were procurements that did not begin in a timely manner but were necessary to accommodate the Department's need. When there is a contract required to provide the standard of care expected of the Department, it is critical that there be no lapse in services. The Department will further define the standard of care so that we can ensure that anything in that category is always under contract.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-016. **FINDING** (Weaknesses in Administration of State Vehicles)

The Illinois Department of Veterans' Affairs (Department) did not have adequate controls concerning the reporting of vehicle accidents to the Department of Central Management Services (CMS), the maintenance of State vehicles, and ensuring all employees assigned a State-owned vehicle were duly licensed and insured.

- During our testing of automotive accident reporting, we noted the following exceptions:
  - In four of 12 (33%) accidents examined, the employee involved did not report the accident to the police.
  - One of twelve (8%) accidents was not reported within seven days and the Motorist's Report of Illinois Motor Vehicle Accident Form (SR-1) was signed four days late.
  - One of twelve (8%) accidents did not have a signed SR-1.
- During our testing of personally assigned vehicles, we noted one of four (25%) employees assigned a personally assigned vehicle was missing the required certification related to licensure and liability coverage or bond.
- During our testing of automotive maintenance, we noted the following exceptions:
  - Seven of nine (78%) vehicles tested did not have an oil change timely.
  - Six of nine (67%) vehicles tested did not have a tire rotation performed timely.
  - Five of nine (56%) vehicles tested did not have an annual inspection completed timely.

The Illinois Administrative Code (44 Ill. Adm. Code 5040.520) requires the SR-1 to be completed as soon as possible and submitted to the office of the current insurance carrier. In no case is this report to be completed later than three days following an accident. The State of Illinois Vehicle Guide published by CMS requires employees involved in an accident while operating a vehicle on official State business to notify law enforcement of the accident. Additionally, this policy requires all accidents to be reported to the Division of Risk Management within seven days to ensure coverage under the State auto liability plan.

The Illinois Vehicle Code (625 ILCS 5/7-601(c)) states that every State employee who is assigned a State-owned vehicle is required to provide a certification to their agency's director annually. This certification affirms the employee is licensed to drive the vehicle and has liability insurance coverage, or that they have filed a bond with the Secretary of State as proof of financial responsibility.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

The Civil Administrative Code (20 ILCS 405/405-280) states that any State-owned motor vehicle shall have an oil change performed according to the applicable CMS policy. The current CMS policy for fuel, minor maintenance/oil changes and repairs states that oil change intervals are 12 months or 3,000 miles, whichever comes first, for vehicles with model years ten years or older and 12 months or 5,000 miles, whichever comes first, for vehicles with model years nine years or newer. Additionally, the current CMS policy for fuel, minor maintenance, oil changes and repairs requires tire rotations on all passenger vehicles every other oil change.

Department management stated the exceptions noted were due to oversight on behalf of the individuals involved, as well as human error.

Failure to adequately maintain controls over the administration of State vehicles represents noncompliance with State and CMS vehicle requirements and could increase the State's potential liability and risk of loss. (Finding Code No. 2020-016)

**RECOMMENDATION**

We recommend the Department develop and implement procedures which create stronger controls over its vehicles and address both maintenance and reporting.

**DEPARTMENT RESPONSE**

Agreed. All individuals involved have been advised of the requirements. Staff will be required to provide driver's license and insurance information. Additionally, the Department's policies will be tightened up to ensure proper oversight.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-017. **FINDING** (Inaccurate Agency Fee Imposition Report)

The Illinois Department of Veterans' Affairs (Department) did not properly report fees collected on the Agency Fee Imposition Report (Report) for Fiscal Years 2018 and 2019.

During our testing of the Reports, we noted the following:

- The Manteno Veterans' Home Fund (0980) improperly included hospice fees on the 2018 Report. This resulted in the 2018 Report being overstated by \$101,475.
- The Department was unable to provide support to reconcile differences noted for the LaSalle Veterans' Home Fund (0272), Anna Veterans' Home Fund (0273), and Quincy Veterans' Home Fund (0619) on the 2018 Report. This resulted in a net understatement on the 2018 Report of \$6,468.
- The Department underreported receipts pertaining to fees for the Manteno Veterans' Home Fund (0980). This resulted in the 2019 Report being understated by \$423,096.

These weaknesses were first noted during the compliance examination for the two years ended June 30, 2016. The Department has been unsuccessful in implementing corrective action during the subsequent examinations.

The State Comptroller Act (15 ILCS 405/16.2) requires all State agencies that impose and collect fees to prepare the Agency Fee Imposition Report Form. The Illinois State Auditing Act (30 ILCS 5/3-8.5) states the form shall list and describe the fees imposed by the agency, the purpose of the fees, the amount of revenue generated by each fee, and the funds into which the fees are deposited.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(4)) 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 State Records Act (5 ILCS 160/8) requires the Department to maintain records containing adequate and proper documentation of the functions, procedures, and essential transactions of the Department to protect the legal and financial rights of the state.

Department management stated the exceptions were due to staff turnover and the inadequate retention of supporting documentation.

Inaccurate fee reporting reduces the reliability of Statewide fee information. (Finding Code No. 2020-017, 2018-006, 2016-006)

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

**RECOMMENDATION**

We recommend the Department ensure the accuracy of the Agency Fee Imposition Report.

**DEPARTMENT RESPONSE**

Agreed. After turnover of staff, a deep dive was conducted into fiscal reporting and it was noted that there were inaccuracies. Department staff responsible for finalizing reports will be properly trained and advised of the importance of accuracy.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-018. **FINDING** (Incorrect Calculation of Resident Maintenance Fees)

The Illinois Department of Veterans' Affairs (Department) did not calculate resident maintenance fees in accordance with the Illinois Administrative Code.

The Illinois Administrative Code (Code) (95 Ill. Admin. Code 108.130) states residents at the veterans' homes are entitled to an allowance of \$100 per month for every \$1,000 paid in monthly maintenance fees. However, the Department gives each resident a \$200 allowance without considering the monthly maintenance fee charged. Department policy (HOM-011), revised February 27, 2018, stated residents of veterans' homes are currently allowed to keep the first \$200 of their monthly income before the maintenance fee is assessed as a spending allowance. The maintenance fee will continue to be calculated at 90% of a resident's remaining income, up to a new monthly maximum. This condition existed at all the Department's veterans' homes during the examination period.

The noncompliance was first noted during the compliance examination for the two years ended June 30, 2016. The Department has not taken sufficient action to completely clear the condition noted in this finding since its official drafting.

Department management stated it is still in the process of updating the Code to accommodate the methods being used by the Department.

Failure to follow the Code's calculation for maintenance fees may result in a loss of revenue to the State or overcharging residents at the veterans' homes. (Finding Code No. 2020-018, 2018-007, 2016-007)

**RECOMMENDATION**

We recommend the Department seek an update to the Illinois Administrative Code to reflect the methodology used to calculate maintenance fees.

**DEPARTMENT RESPONSE**

Agreed. The Department will seek an update to the Illinois Administrative Code to correct the issue.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-019. **FINDING** (Untimely Deposit of Receipts)

The Illinois Department of Veterans' Affairs (Department) failed to deposit cash receipts in a timely manner as required by the State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2).

During our testing of the locally held fund receipts at the Department's veterans' homes, we noted the following exceptions:

- Two of 40 (5%) receipts at the Manteno Veterans' Home were not deposited timely. Both receipts, totaling \$15,486, were deposited one business day late.
- Two of 40 (5%) receipts at the Quincy Veterans' Home were not deposited timely. The receipts, totaling \$283, were deposited three to five business days late.

During our testing of refunds, we noted one of 12 (8%) refunds tested, totaling \$54, was not deposited to the State Treasury on a timely basis. The check was deposited 12 business days late.

The Act (30 ILCS 230/2) requires if the amount of money received does not exceed \$500, such money may be retained and need not be paid into the State Treasury until the total amount of money so received exceeds \$500, or until the next succeeding 1<sup>st</sup> or 15<sup>th</sup> of each month, whichever is earlier, at which earlier time such money shall be paid into the State Treasury. The Act requires cash receipts of less than \$10,000 and more than \$500 to be deposited within 48 hours of receipt, disregarding holidays, Saturdays and Sundays.

Department management stated the timing of the deposits depends on when the daily deposit trip is made. If the funds are received after this deposit trip has been made, it is not deposited until the next day. Department management at the Manteno Veterans' Home stated the noted undeposited receipts were locked in a trust safe until the deposit run was made. Department management stated the deposit was late due to competing priorities. Additionally, Department management stated the tardy deposits at the Quincy Veterans' Home were a result of chapel counters not being available during the week of the services in which money was collected. This delayed the turnover of money to the fiscal division. Department management stated the tardy deposit of the refund was due to competing priorities and oversight.

Failure to deposit cash receipts of any type in a timely manner is in violation of the Act and could result in lost or misplaced checks if proper precautions are not taken to secure the funds prior to deposit. (Finding Code No. 2020-019)

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

**RECOMMENDATION**

We recommend the Department strengthen its controls over the deposit of locally held fund receipts and refunds.

**DEPARTMENT RESPONSE**

Agreed. Department personnel will adhere to the regulations and ensure all deposits are made within the required timeframe. Department staff will verify compliance on a monthly basis.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-020. **FINDING** (Inaccurate Compilation and Reporting of Field Service Offices Activities and Information)

The Illinois Department of Veterans' Affairs (Department) inaccurately compiled and reported activities and information of its field service offices staffed by Veteran Service Officers (VSOs).

The Department operates field service offices in counties throughout the State on either a full-time or itinerant basis to provide veterans with local access to information regarding federal and State benefits associated with their military service. VSOs are employed in these locations to answer questions, help with filing paperwork, address telephone calls, and issue hunting/fishing and camping licenses. The VSOs prepare daily, weekly, and monthly records and reports of their number of veterans served in-person, requests handled by U.S. mail, and telephone call questions received, in addition to a categorized breakdown of the types of services and information provided.

We noted the following during our examination:

- We reviewed four consecutive weekly itineraries for the four field office supervisors. We noted six of 16 (38%) instances where the supervisor sign-in records did not match the itineraries as follows:
  - The itinerary on four separate instances had a visit scheduled, but no signature was noted on the sign-in sheets to indicate a visit was made at the Central Field Office.
  - The itinerary in one instance had a visit scheduled, but no signature was noted on the sign-in sheets to indicate a visit was made at the Metro Field Office.
  - The itinerary in one instance had a visit scheduled, but no signature was noted on the sign-in sheet to indicate a visit was made at the Southern Field Office.
- We called five of the 36 itinerant field offices to ensure their hours of operations were consistent with the operating hours posted online. In two of five (40%) instances, we were unable to determine whether the field offices were open during their stated hours as posted online. Specifically, we noted the following:
  - We called one office and left a message and did not receive a call back.
  - We called one office and were unable to leave a message because the answering service stated the office was not accepting messages at this time.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

- In two of 40 (5%) camping license applications, we noted:
  - One license was generated in error and the VSO failed to document the mistake and ask that it be removed.
  - The Department did not have any record of one license being issued to the applicant.
  
- We reviewed a total of six Statistical Reports from a sample of three locations and noted the following:
  - A monthly statistical report was not provided in four of six (67%) instances.
  - The monthly statistical report was signed by the VSO nine days late and was not signed by the supervisor at all in one of six (17%) instances.

The Department of Veterans' Affairs Act (20 ILCS 2805/3) requires the Department to establish such field offices as it finds necessary to enable it to perform its duties.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, or 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 State Records Act (5 ILCS 160/9) requires the Department to establish and maintain an active, continuing program for the economical and efficient management of the records of the Department.

Department management stated that due to the COVID-19 pandemic and the closure of field offices for an extended period of time during the engagement period, the exceptions noted were due to competing priorities and oversight.

Failure to accurately compile and retain data regarding services provided by VSOs at field offices results in inaccurate data for use by the Department upon which to base decisions. The failure to effectively operate field offices at their stated times represents statutory noncompliance. (Finding Code No. 2020-020, 2018-010)

**RECOMMENDATION**

We recommend the Department strengthen controls over and enforce procedures to ensure VSOs and their supervisors maintain accurate and complete records. Furthermore, we recommend the Department ensure supervisors adequately supervise the field offices for which they are responsible.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

**DEPARTMENT RESPONSE**

Agreed. The Department will remind Veteran Service Officers to accurately complete and document reported activities and information. This will be reinforced periodically throughout the year and included in annual training briefings.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-021. **FINDING** (Computer Security Weaknesses)

The Illinois Department of Veterans' Affairs (Department) did not establish adequate security controls over its computing environment.

The Department maintains a myriad of systems and applications which contain personal and medical information. As such, security over these systems and applications is crucial.

In order to determine the Department's controls over access provisioning, we requested the Department's policies and procedures. However, the Department has not developed formal policies and procedures.

In order to obtain access to the Department's applications, a System Maintenance User Request Form must be completed and approved by the user's supervisor. The Department was unable to provide the System Maintenance User Request for 14 of 40 (35%) users tested. Additionally, one of 40 (3%) forms tested did not contain a supervisor's approval.

We tested user access for new hires for a sample of applications and noted the Department was unable to provide support for granting access to 6 of 6 (100%) newly hired users of one of the Department's critical applications.

We tested user access for terminated employees to ensure their access was removed from applications timely, noting access for one of eight (13%) users of a critical application was not revoked within 30 days of separation from the Department. As of the date of our testing, November 17, 2020, the user's access had not been revoked. Department management indicated its IT department was not informed of the user's departure from the Department, thus the access was not revoked.

Lastly, the Department did not establish a formal policy mandating the erasure, wiping, sanitizing, or destruction of all hard drives of surplus electronic data processing (EDP) equipment. The Department was unable to provide sufficient documentation of our sample of EDP equipment disposed of during the engagement period to demonstrate it had been wiped prior to the disposal of those items.

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.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

The Data Security on State Computers Act (20 ILCS 450/20) requires the Department or an authorized agency to implement a policy to mandate all hard drives of surplus electronic data processing equipment be erased, wiped, sanitized, or destroyed in a manner that prevents retrieval of sensitive data and software before being sold, donated, or transferred by (i) overwriting the previously stored data on a drive or a disk at least 3 times or physically destroying the hard drive and (ii) certifying in writing that the overwriting process has been completed by providing the following information: (1) the serial number of the computer or other surplus electronic data processing equipment; (2) the name of the overwriting software or physical destruction process used; and (3) the name, date, and signature of the person performing the overwriting or destruction process.

The Personal Information Protection Act (815 ILCS 530/30 and 530/45) requires State agencies that collect personal data that is no longer needed or stored at the agency to dispose of the data in a manner that ensures the security and confidentiality of the material. Additionally, this Act requires the Department to implement and maintain reasonable security measures to protect records that contain personal information from unauthorized access, acquisition, destruction, use, modification, or disclosure.

Furthermore, generally accepted information systems technology guidance, including the National Institute of Standards and Technology, endorses the development of computer security policies that adequately address the current technological environment and well-designed and well-managed controls to protect computer systems and data.

Department management indicated the exceptions were due to personnel turnover and lack of oversight.

Lack of policies regarding the disposal of confidential information and user access, along with inadequate user controls increases the risk of unauthorized access to the Department's applications and data. (Finding Code 2020-021, 2018-012).

**RECOMMENDATION**

We recommend the Department develop and implement policies and procedures regarding the proper disposal of confidential information and access provisioning. Additionally, we recommend the Department ensure only authorized users have access to the applications and that reviews of access rights to all systems are conducted at least annually. We recommend the Department remove separated users from Department resources promptly upon separation from the Department. Finally, we recommend the Department maintain supporting documentation for granting user access to its employees.

**DEPARTMENT RESPONSE**

Agreed. The Department will work with DoIT to create policies and procedures over access provisioning and erasure of data. In addition, the Department will ensure System Maintenance User Request Forms are completed, approved, and kept on file.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-022. **FINDING** (Lack of Disaster Contingency Planning or Testing to Ensure Recovery of Applications and Data)

The Illinois Department of Veterans' Affairs (Department) had not provided adequate planning for the recovery of its applications and data.

In May 2018, the Department and the Department of Innovation and Technology (DoIT) collaborated to establish the Department's Information Systems Resiliency Plan. We found the Plan did not fully encompass disaster recovery requirements and did not:

- Include steps to recover applications and systems;
- Clearly identify key recovery personnel and responsibilities;
- Discuss an alternate recovery location; and
- Include a listing of infrastructure hardware and software necessary for recovery.

Additionally, we noted the Resiliency Plan documented 24 critical systems; however, it stated 20 of the critical systems did not have recovery plans. We also noted, the Department had not conducted comprehensive disaster recovery testing during the examination period.

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.

Information technology guidance (including the National Institute of Standards and Technology and Government Accountability Office) endorses the formal development and testing of disaster recovery plans.

Department management indicated these instances were the result of understaffing and competing priorities within the information technology division.

Failure to adequately plan for the recovery of applications and data leaves the Department exposed to the possibility of major disruptions of services. (Finding Code No. 2020-022, 2018-013)

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

**RECOMMENDATION**

We recommend the Department work with DoIT and update its Resiliency Plan to address all requirements for recovery efforts for all applications and data. Additionally, the Department should conduct recovery testing, at least annually, to ensure the recoverability of its applications and data.

**DEPARTMENT RESPONSE**

Agreed. The Department will work with DoIT to ensure the Disaster Contingency Plan encompasses all requirements and systems and that the disaster recovery plan is tested.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-023. **FINDING** (Lack of Adequate Controls Over the Review of Internal Controls Over Service Providers)

The Illinois Department of Veterans' Affairs (Department) did not obtain or conduct timely independent internal control reviews over all of its service providers.

The Department utilizes three service providers for medical billing, hosting of medical records, and application hosting. Some of the information controlled by the service providers would be classified as personally identifiable information and protected health information.

During testing, we noted the following:

- The Department did not obtain a System and Organization Control (SOC) report for two of three (67%) service providers.
- The Department did not complete a review of the one SOC report received.
- The Department failed to monitor and document the Complementary User Entity Controls (CUECs) relevant to the Department's operations.

Additionally, it was noted the contracts between the Department and the service providers did not contain a requirement for an independent review to be completed.

The Department is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction. This responsibility is not limited due to the process being outsourced.

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. Strong management controls, due diligence and fiduciary responsibility require adequate supervision of external service providers to provide assurance that State veterans' home residents' medical and personal information is properly recorded and accounted for.

Department management indicated the Chief Information Officer position had not been filled; therefore, the Department was unable to complete these tasks.

Without having obtained and reviewed a SOC report or another form of independent internal control review, the Department does not have assurance the service providers' internal controls are adequate. (Finding Code No. 2020-023, 2018-015)

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

**RECOMMENDATION**

We recommend the Department:

- Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the Department's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Department, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**DEPARTMENT RESPONSE**

Agreed. The Department will work with DoIT to ensure System and Organization Control (SOC) reports are obtained and reviewed and that Complementary User Entity Controls (CUECs) relevant to the Department's operations are monitored and documented. The Department will ensure contracts contain a requirement for an independent review to be completed.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-024. **FINDING** (Weaknesses in Change Management)

The Illinois Department of Veterans' Affairs (Department) did not have formal change management policies and procedures or an effective separation of duties for programmers developing or maintaining its computer systems.

The Department had established several computer systems maintaining critical, confidential and sensitive information in order to meet its mission and mandate. However, during the engagement period, the Department did not have documented policies and procedures to control changes to its applications. As such, we were unable to determine if the changes were properly controlled.

In addition, during our testing we noted programmers, responsible for developing and making changes to computer systems, had access to the production environment and the capability to implement changes.

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. In addition, generally accepted information technology guidance endorses the development and implementation of suitable change management procedures to control changes to computer systems.

Department management indicated the lack of staffing caused the exceptions.

Without adequate change management procedures, there is a greater risk of unauthorized, improper, or erroneous changes to computer systems. The lack of separation of duties in the computer environment increases the risk the confidentiality, integrity, and availability of data will be compromised. (Finding Code No. 2020-024)

**RECOMMENDATION**

We recommend the Department develop and implement formal change management policies and procedures and restrict program access to all production programs and data. If the Department determines that programmer access in some situations may be necessary, we recommend the Department enforce compensating controls to ensure appropriate management oversight and approval of changes.

**DEPARTMENT RESPONSE**

Agreed. The Department will work with DoIT to ensure formal change management policies and procedures are created and there is an effective separation of duties for programmers developing or maintaining its computer systems.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

2020-025. **FINDING** (Failure to Demonstrate the Completeness and Accuracy of the Report Components)

The Illinois Department of Veterans' Affairs (Department) did not have adequate internal controls to demonstrate the schedules and components (report components) within the Department's *Compliance Examination Report* were complete and accurate.

Due to changes in independence requirements effective June 30, 2020, the Office of the Auditor General (OAG) now requires auditees, without auditor assistance, to prepare the report components comprising the Supplementary Information for State Compliance Purposes usually found within the OAG's compliance reports. To help facilitate this change, the OAG published guidance on its website for auditees to follow in preparing these report components. While we do not express an opinion, a conclusion, or provide any assurance on these report components, we read them to identify potential errors based on our knowledge of the auditee and, where possible, compare or reconcile the information to the auditee's records examined during the compliance examination. If we identify any potential errors, we bring the matter to the attention of the auditee's management to, ideally, either correct the error or demonstrate why the disclosure is complete and accurate.

During the course of this examination, we noted the Department's internal controls were inadequate to both (1) prepare the report components and (2) demonstrate the report components Department management prepared were complete and accurate. Specifically, we noted the following:

- The *Schedule of Appropriations, Expenditures, and Lapsed Balances* was unable to be prepared by Department management from their own records. Consequently, the related *Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances* was also unable to be properly completed.
- The Department was unable to prepare a complete and accurate *Schedule of Indirect Cost Reimbursements* and related notes, including a disclosure whether the Department had pursued for collection all possible indirect cost reimbursements for each fiscal year under examination.
- The *Analysis of Operations* prepared by the Department appeared to omit disclosures, including (1) management's analysis of the meaning of certain key financial, program, and statistical elements, including the prioritized goals and priorities that were to have been reviewed and analyzed during each fiscal year and reported to the Office of the Comptroller for preparation of the Public Accountability Report as required by the Civil Administrative Code of Illinois (State Budget Law) (15 ILCS 20/50-25), and (2) significant operational challenges that existed at the end of the examination period, including backlogs, and management's plan to address the problem.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

- Department management indicated they lacked sufficient knowledge of the Department's expenditures to properly prepare the *Analysis of Significant Variations in Expenditures*, which comments on the underlying cause for why significant variations occurred within various line item expenditures during each fiscal year, as measured by dollar amount or percentage change.
- The Department's *Analysis of Overtime and Compensatory Time* appeared incorrect, as the reported value of compensatory time ranged from \$0 at the Department's field offices to \$1,139 per hour at the Illinois Veterans' Home at Quincy.

As a result of these deficiencies, these report components were excluded from the Department's *Compliance Examination Report*.

Good internal controls over compliance facilitate the preparation of complete and accurate report components and allow for the resolution, where necessary, of any potential errors presented to management by independent accountants examining the Department.

Department officials indicated the deficiencies in the report components were a result of not retaining necessary information due to employee turnover.

Compliance examinations stress the fundamentals of governmental accountability, including providing transparency about the Department's fiscal and administrative controls and whether the Department's resource utilization was efficient, effective, and in compliance with applicable law. Failure to prepare accurate and complete report components hinders the ability of users of the Department's *Compliance Examination Report* to obtain additional analysis of the Department's operations. (Finding Code No. 2020-025)

**RECOMMENDATION**

We recommend the Department implement controls to ensure report components are accurately and completely prepared in future compliance examinations.

**DEPARTMENT RESPONSE**

Agreed. During the audit period the inaccuracy and incompleteness of several reports was discovered. New division management has implemented reporting guidelines moving forward.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS**  
For the Two Years Ended June 30, 2020

**PRIOR FINDINGS NOT REPEATED**

A. **FINDING** (Inadequate Controls Over Locally Held Funds)

During the previous engagement, the Department did not exercise adequate control over its locally held funds at its veterans' homes at Anna and Manteno. The exceptions noted were related to the Report of Receipts and Disbursements for Locally Held Funds (C-17) and signature authorities of separated employees.

During the current engagement, we did not note these types of exceptions related to the Department's locally held funds. (Finding Code No. 2018-008)

B. **FINDING** (Noncompliance with the Fiscal Control and Internal Auditing Act)

During the previous engagement, the Department did not comply with the Fiscal Control and Internal Auditing Act (FCIAA) (30 ILCS 10/2001).

During the current engagement period, the Department had not been successful in correcting the prior year issues noted; however, additional problems were noted within the internal audit function that extended beyond compliance with FCIAA. As a result, all of the exceptions related to the Department's internal audit function were reported in the Department's *Compliance Examination Report* as Finding No. 2020-007. (Finding Code No. 2018-011)

C. **FINDING** (Lack of Due Diligence over ERP Transition)

During the previous engagement, the Department did not exercise adequate due diligence over the transition to the Enterprise Resource Planning program (ERP).

During the current engagement period, the Department did not implement any new modules of the ERP. (Finding Code No. 2018-014)

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF NET EXPENDITURES  
BY MAJOR ACTIVITY**

For the Fiscal Year Ended June 30,

<b>EXPENDITURE STATISTICS</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>All State Treasury Funds</b>			
Total Operations Expenditures:	\$ 125,296,601	\$ 129,012,366	\$ 118,653,605
Percentage of Total Expenditures:	95.82%	98.73%	98.57%
Personal Services	77,973,335	74,295,282	73,181,221
Other Payroll Costs	18,184,868	16,011,243	16,463,461
All Other Operating Expenditures	29,138,398	38,705,841	29,008,923
Total Awards and Grants Expenditures:	\$ 4,959,903	\$ 1,375,040	\$ 1,114,312
Percentage of Total Expenditures:	3.79%	1.05%	0.93%
Total Permanent Improvements Expenditures:	\$ 131,890	\$ 96,778	\$ 319,527
Percentage of Total Expenditures:	0.10%	0.07%	0.27%
Total Refund Expenditures:	\$ 375,744	\$ 184,219	\$ 287,047
Percentage of Total Expenditures:	0.29%	0.14%	0.24%
<b>GRAND TOTAL - ALL EXPENDITURES</b>	<b>\$ 130,764,138</b>	<b>\$ 130,668,403</b>	<b>\$ 120,374,491</b>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS  
AND DEPOSITS INTO THE STATE TREASURY**

For the Fiscal Year Ended June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>General Revenue Fund - 0001</u>			
Central Office miscellaneous receipts	\$ 37	\$ 13	\$ 17
Manteno Veterans' Home miscellaneous receipts	100	260	158
Quincy Veterans' Home miscellaneous receipts	5,132	335	115
LaSalle Veterans' Home miscellaneous receipts	10	35	82
Field services	-	19	107
Repayment to State	-	500	-
Total cash receipts per Department records	<u>5,279</u>	<u>1,162</u>	<u>479</u>
Plus - in transit at beginning of year	-	-	-
Less - in transit at end of year	-	-	-
Total cash receipts per State Comptroller's records	<u><u>\$ 5,279</u></u>	<u><u>\$ 1,162</u></u>	<u><u>\$ 479</u></u>
<u>Illinois Veterans' Assistance Fund - 0236</u>			
Private organization or individual donation	\$ 100	\$ 150	\$ 3,880
Total cash receipts per Department records	<u>100</u>	<u>150</u>	<u>3,880</u>
Plus - in transit at beginning of year	-	-	-
Less - in transit at end of year	-	-	-
Total cash receipts per State Comptroller's records	<u><u>\$ 100</u></u>	<u><u>\$ 150</u></u>	<u><u>\$ 3,880</u></u>
<u>LaSalle Veterans' Home Fund - 0272</u>			
Third party liability (medical reimbursements)	\$ 2,836	\$ 3,830	\$ 3,819
Health and Human Services (Medicare)	29,189	26,598	25,536
VA reimbursements	7,993,157	8,375,500	7,579,390
Copy fees	260	382	183
Patient fees (members maintenance)	2,991,387	3,420,728	3,438,846
Miscellaneous	113	-	298
Rental income - miscellaneous	18,000	18,000	18,000
Jury duty and personal phone calls employees	108	75	557
Meal tickets	635	1,635	2,010
Total cash receipts per Department records	<u>11,035,685</u>	<u>11,846,748</u>	<u>11,068,639</u>
Plus - in transit at beginning of year	11,261	584,995	5,403
Less - in transit at end of year	<u>(170,536)</u>	<u>11,261</u>	<u>584,997</u>
Total cash receipts per State Comptroller's records	<u><u>\$ 11,217,482</u></u>	<u><u>\$ 12,420,482</u></u>	<u><u>\$ 10,489,045</u></u>
<u>Anna Veterans' Home Fund - 0273</u>			
Home Fund - third party insurance	\$ 217	\$ 453	\$ 104
Patient Medicare	3,012	1,168	2,249
VA reimbursements	3,568,705	2,539,559	2,479,968
Copy fees	137	-	112
Patient fees (members maintenance)	885,179	962,816	804,469
Miscellaneous	13	-	136
Private organization or individual donation	1,336	2,863	3,411
Jury duty and personal phone calls employees	20	1	47
Total cash receipts per Department records	<u>4,458,619</u>	<u>3,506,860</u>	<u>3,290,496</u>
Plus - in transit at beginning of year	955	239	2,436
Less - in transit at end of year	<u>76,625</u>	<u>955</u>	<u>239</u>
Total cash receipts per State Comptroller's records	<u><u>\$ 4,382,949</u></u>	<u><u>\$ 3,506,144</u></u>	<u><u>\$ 3,292,693</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS  
AND DEPOSITS INTO THE STATE TREASURY**

For the Fiscal Year Ended June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>GI Education Fund - 0447</u>			
VA reimbursements	\$ 1,318,312	\$ 981,946	\$ 1,260,275
Jury duty and personal phone calls employees	17	-	-
Total cash receipts per Department records	<u>1,318,329</u>	<u>981,946</u>	<u>1,260,275</u>
Plus - in transit at beginning of year	-	-	-
Less - in transit at end of year	-	-	-
Total cash receipts per State Comptroller's records	<u><u>\$ 1,318,329</u></u>	<u><u>\$ 981,946</u></u>	<u><u>\$ 1,260,275</u></u>
<u>Veterans' Affairs State Projects Fund - 0501</u>			
Private organization or individual donation	\$ -	\$ 50,000	\$ 50,000
Total cash receipts per Department records	-	50,000	50,000
Plus - in transit at beginning of year	-	-	-
Less - in transit at end of year	-	-	-
Total cash receipts per State Comptroller's records	<u><u>\$ -</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 50,000</u></u>
<u>Quincy Veterans' Home Fund - 0619</u>			
Insurance reimbursements	\$ 98,720	\$ 106,786	\$ 103,661
Health and Human Services (Medicare)	336,393	390,685	386,739
VA reimbursements	16,614,485	13,722,711	14,515,335
Copy fees	684	515	1,152
Patient fees (members maintenance)	5,958,950	6,256,819	6,236,747
Miscellaneous	1,189	4,001	2,153
Rental income - property	27,089	28,503	30,293
Jury duty and personal phone calls employees	23	83	99
Shipping charges	116	50	122
Private organization or individual donation	1,410	3,300	3,299
Total cash receipts per Department records	<u>23,039,059</u>	<u>20,513,453</u>	<u>21,279,600</u>
Plus - in transit at beginning of year	24,231	1,288,245	17,857
Less - in transit at end of year	1,129,553	24,231	1,288,245
Total cash receipts per State Comptroller's records	<u><u>\$ 21,933,737</u></u>	<u><u>\$ 21,777,467</u></u>	<u><u>\$ 20,009,212</u></u>
<u>Veterans' Affairs Library Grant Fund - 0775</u>			
Secretary of State receipts	\$ 50,000	\$ 50,000	\$ 50,000
Total cash receipts per Department records	50,000	50,000	50,000
Plus - in transit at beginning of year	-	-	-
Less - in transit at end of year	-	-	-
Total cash receipts per State Comptroller's records	<u><u>\$ 50,000</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 50,000</u></u>
<u>Veterans' Affairs Federal Projects Fund - 0897</u>			
Housing and Urban Development receipts	\$ -	\$ 3,766	\$ -
Total cash receipts per Department records	-	3,766	-
Plus - in transit at beginning of year	-	-	-
Less - in transit at end of year	-	-	-
Total cash receipts per State Comptroller's records	<u><u>\$ -</u></u>	<u><u>\$ 3,766</u></u>	<u><u>\$ -</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS  
AND DEPOSITS INTO THE STATE TREASURY**

For the Fiscal Year Ended June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Manteno Veterans' Home Fund - 0980</u>			
Insurance reimbursements	\$ 46,833	\$ 39,779	\$ 31,154
Health and Human Services (Medicare)	110,863	148,056	115,303
VA reimbursements	12,872,582	14,744,672	13,639,890
Copy fees	1,690	2,010	983
Patient fees (members maintenance)	4,730,623	5,674,358	5,961,541
Miscellaneous	166	643	714
Property income	53,950	55,871	57,371
Jury duty and personal phone calls employees	5	81	112
Outdated drugs	7,780	3,935	4,057
Total cash receipts per Department records	<u>17,824,492</u>	<u>20,669,405</u>	<u>19,811,125</u>
Plus - in transit at beginning of year	450,049	13,562	34,446
Less - in transit at end of year	366,882	450,049	13,562
Total cash receipts per State Comptroller's records	<u>\$ 17,907,659</u>	<u>\$ 20,232,918</u>	<u>\$ 19,832,009</u>
<u>Total. All Funds</u>			
Central Office miscellaneous receipts	\$ 37	\$ 13	\$ 17
Copy fees	2,771	2,907	2,430
Field services	-	19	107
Health and Human Services (Medicare)	476,445	565,339	527,578
Home Fund - third party insurance	217	453	104
Housing and Urban Development receipts	-	3,766	-
Insurance reimbursements	145,553	146,565	134,815
Jury duty and personal phone calls employees	173	240	815
LaSalle Veterans' Home miscellaneous receipts	10	35	82
Manteno Veterans' Home miscellaneous receipts	100	260	158
Meal tickets	635	1,635	2,010
Miscellaneous	1,481	4,644	3,301
Outdated drugs	7,780	3,935	4,057
Patient fees (members maintenance)	14,566,139	16,314,721	16,441,603
Patient Medicare	3,012	1,168	2,249
Private organization or individual donation	2,846	56,313	60,590
Property income	53,950	55,871	57,371
Quincy Veterans' Home miscellaneous receipts	5,132	335	115
Rental income - miscellaneous	18,000	18,000	18,000
Rental income - property	27,089	28,503	30,293
Repayment to State	-	500	-
Secretary of State receipts	50,000	50,000	50,000
Shipping charges	116	50	122
Third party liability (medical reimbursements)	2,836	3,830	3,819
VA reimbursements	42,367,241	40,364,388	39,474,858
Total cash receipts per Department records	<u>\$ 57,731,563</u>	<u>\$ 57,623,490</u>	<u>\$ 56,814,494</u>
Plus - in transit at beginning of year	486,496	1,887,041	60,142
Less - in transit at end of year	1,402,524	486,496	1,887,043
Total cash receipts per State Comptroller's records	<u>\$ 56,815,535</u>	<u>\$ 59,024,035</u>	<u>\$ 54,987,593</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF LOCALLY-HELD FUNDS**  
For the Fiscal Year Ended June 30,

<b>LOCALLY-HELD FUNDS</b>	2020	2019	2018
<b>Anna Clearing Account - 1311</b>			
Balance, Beginning of the Fiscal Year	\$ -	\$ -	\$ -
Receipts	889,915	967,089	812,799
Disbursements	889,915	967,089	812,799
Balance, End of the Fiscal Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Anna Benefits Trust Fund - 1339</b>			
Balance, Beginning of the Fiscal Year	\$ 60,843	\$ 50,653	\$ 42,224
Receipts	76,133	51,738	75,049
Disbursements	50,171	41,548	66,620
Balance, End of the Fiscal Year	<u>\$ 86,805</u>	<u>\$ 60,843</u>	<u>\$ 50,653</u>
<b>Anna Member's Trust Fund - 1348</b>			
Balance, Beginning of the Fiscal Year	\$ 56,146	\$ 69,923	\$ 93,810
Receipts	951,814	992,877	846,502
Disbursements	926,247	1,006,654	870,389
Balance, End of the Fiscal Year	<u>\$ 81,713</u>	<u>\$ 56,146</u>	<u>\$ 69,923</u>
<b>LaSalle Resident's Benefit Fund - 1261</b>			
Balance, Beginning of the Fiscal Year	\$ 455,834	\$ 402,806	\$ 409,350
Receipts	177,547	210,148	143,282
Disbursements	186,447	157,120	149,826
Balance, End of the Fiscal Year	<u>\$ 446,934</u>	<u>\$ 455,834</u>	<u>\$ 402,806</u>
<b>LaSalle Resident's Trust Fund - 1260</b>			
Balance, Beginning of the Fiscal Year	\$ 440,862	\$ 556,578	\$ 536,047
Receipts	3,171,057	3,566,547	3,737,375
Disbursements	3,166,855	3,682,263	3,716,844
Balance, End of the Fiscal Year	<u>\$ 445,064</u>	<u>\$ 440,862</u>	<u>\$ 556,578</u>
<b>LaSalle Clearing Account - 1317</b>			
Balance, Beginning of the Fiscal Year	\$ -	\$ -	\$ -
Receipts	3,042,640	3,471,283	3,489,248
Disbursements	3,042,640	3,471,283	3,489,248
Balance, End of the Fiscal Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF LOCALLY-HELD FUNDS**  
For the Fiscal Year Ended June 30,

<b>LOCALLY-HELD FUNDS</b>	2020	2019	2018
<b>Manteno Benefits Trust Fund - 1219</b>			
Balance, Beginning of the Fiscal Year	\$ 769,600	\$ 730,394	\$ 732,438
Receipts	331,789	192,990	192,078
Disbursements	335,415	153,784	194,122
Balance, End of the Fiscal Year	<u>\$ 765,974</u>	<u>\$ 769,600</u>	<u>\$ 730,394</u>
<b>Manteno Members' Trust Fund - 1220</b>			
Balance, Beginning of the Fiscal Year	\$ 876,745	\$ 1,254,981	\$ 1,310,684
Receipts	4,868,482	5,740,405	6,294,824
Disbursements	4,895,617	6,118,641	6,350,527
Balance, End of the Fiscal Year	<u>\$ 849,610</u>	<u>\$ 876,745</u>	<u>\$ 1,254,981</u>
<b>Manteno Clearing Account - 1318</b>			
Balance, Beginning of the Fiscal Year	\$ 44	\$ 1	\$ 11
Receipts	4,951,968	5,925,535	6,171,384
Disbursements	4,952,008	5,925,492	6,171,394
Balance, End of the Fiscal Year	<u>4</u>	<u>44</u>	<u>1</u>
<b>Prince Homeless Program - Benefits Trust Fund - 1397</b>			
Balance, Beginning of the Fiscal Year	\$ 68,283	\$ 56,394	\$ 40,647
Receipts	19,029	23,611	24,980
Disbursements	9,465	11,722	9,233
Balance, End of the Fiscal Year	<u>\$ 77,847</u>	<u>\$ 68,283</u>	<u>\$ 56,394</u>
<b>Quincy Benefits Trust Fund - 1152</b>			
Balance, Beginning of the Fiscal Year	\$ 348,716	\$ 318,708	\$ 341,083
Receipts	338,254	151,767	116,962
Disbursements	104,943	121,759	139,337
Balance, End of the Fiscal Year	<u>\$ 582,027</u>	<u>\$ 348,716</u>	<u>\$ 318,708</u>
<b>Quincy Protestant Chapel Fund - 1158</b>			
Balance, Beginning of the Fiscal Year	\$ 37,787	\$ 38,842	\$ 39,332
Receipts	6,014	5,274	6,162
Disbursements	8,976	6,329	6,652
Balance, End of the Fiscal Year	<u>\$ 34,825</u>	<u>\$ 37,787</u>	<u>\$ 38,842</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF LOCALLY-HELD FUNDS**  
For the Fiscal Year Ended June 30,

<b>LOCALLY-HELD FUNDS</b>	2020	2019	2018
<b>Quincy St. Lawrence Chapel Fund - 1159</b>			
Balance, Beginning of the Fiscal Year	\$ 26,469	\$ 27,560	\$ 30,444
Receipts	4,867	9,012	5,583
Disbursements	11,602	10,103	8,467
Balance, End of the Fiscal Year	<u>19,734</u>	<u>26,469</u>	<u>27,560</u>
<b>Quincy Members' Trust Fund - 1246</b>			
Balance, Beginning of the Fiscal Year	\$ 1,832,881	\$ 1,763,767	\$ 2,039,387
Receipts	7,032,501	7,230,348	7,407,084
Disbursements	6,866,948	7,161,234	7,682,704
Balance, End of the Fiscal Year	<u>\$ 1,998,434</u>	<u>\$ 1,832,881</u>	<u>\$ 1,763,767</u>
<b>Quincy Clearing Account - 1316</b>			
Balance, Beginning of the Fiscal Year	\$ -	\$ -	\$ -
Receipts	6,434,039	6,791,078	6,764,379
Disbursements	6,434,039	6,791,078	6,764,379
Balance, End of the Fiscal Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: These balances were obtained from the Department's records and have been reconciled to the Department's *Report of Receipts and Disbursements for Locally Held Funds* for each locally held fund submitted to the Office of State Comptroller as of June 30, 2020 and June 30, 2019.

Note 2: This schedule is presented on the cash basis of accounting.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF CHANGES IN PROPERTY**  
For the Two Years Ended June 30, 2020  
(In Thousands)

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
<b><u>FISCAL YEAR 2020</u></b>					
<b>Property</b>					
Land and Land Improvements	\$ 911,542	-	-	-	\$ 911,542
Site Improvements	9,146,122	11,280	-	-	9,157,402
Buildings and Building Improvements	122,377,910	77,839	-	6,567,272	129,023,021
Equipment	13,401,635	1,315,765	291,051	(442,549)	13,983,800
Total	<u>\$ 145,837,209</u>	<u>\$ 1,404,884</u>	<u>\$ 291,051</u>	<u>\$ 6,124,723</u>	<u>\$ 153,075,765</u>
<b>Capital Leases</b>					
Buildings and Building Improvements	-	-	-	-	-
Equipment	28,410	-	-	-	28,410
Total	<u>\$ 28,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,410</u>
<b>Construction in Progress</b>					
Construction in Progress	\$ 5,632	202,283	-	-	\$ 207,915
Total	<u>\$ 5,632</u>	<u>\$ 202,283</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,915</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF CHANGES IN PROPERTY**  
For the Two Years Ended June 30, 2020  
(In Thousands)

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
<b><u>FISCAL YEAR 2019</u></b>					
<b>Property</b>					
Land and Land Improvements	\$ 911,542	-	-	-	\$ 911,542
Site Improvements	7,922,642	1,500	-	1,221,980	9,146,122
Buildings and Building Improvements	119,298,078	-	-	3,079,832	122,377,910
Equipment	13,110,560	927,434	618,079	(18,280)	13,401,635
Total	<u>\$ 141,242,822</u>	<u>\$ 928,934</u>	<u>\$ 618,079</u>	<u>\$ 4,283,532</u>	<u>\$ 145,837,209</u>
<b>Capital Leases</b>					
Buildings and Building Improvements	-	-	-	-	-
Equipment	5,797	22,613	-	-	28,410
Total	<u>\$ 5,797</u>	<u>\$ 22,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,410</u>
<b>Construction in Progress</b>					
Construction in Progress	-	5,632	-	-	\$ 5,632
Total	<u>\$ -</u>	<u>\$ 5,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,632</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2020  
(Not Examined)

**Fiscal Year 2020 Compared to Fiscal Year 2019**

**Anna Veterans' Home Fund - 0273**

VA reimbursements

The majority of the increase was due to a United States Veterans' Administration (VA) reimbursement in fiscal year 2020 in the amount of \$877,911. This reimbursement was backpay that covered back to 2008 where a member was determined to be service connected, retroactive to 2008. The VA paid the Department the difference from the lower rate to the higher rate for every day of service back to 2008. A portion of that increase was due to the regular annual rate increase.

**GI Education Fund – 0447**

VA reimbursements

The decrease was due to timing of federal reimbursements and supplementals.

**Quincy Veterans' Home Fund - 0619**

VA reimbursements

The increase was due to a decrease in receivables for fiscal year 2020 due to timing of fiscal year 2019 payments. The receivable at the end of fiscal year 2019 was \$2,647,110, comprised of May and June 2019 per diem (\$2,302,251) and April and May 2019 per diem related to the Hammond Hall building which was certified during fiscal year 2019 (\$344,859). These amounts were received in fiscal year 2020. The ending receivable balance for fiscal year 2020 was only comprised of the June 2020 per diem billing of \$1,188,223. Actual billings per fiscal year were only increased slightly at \$15,129,506 and \$15,155,597 for fiscal years 2019 and 2020, respectively.

**Fiscal Year 2019 Compared to Fiscal Year 2018**

**Anna Veterans' Home Fund - 0273**

Patient Fees (member maintenance)

The increase from 2018 to 2019 can be accounted for in four different areas. First, there were two members that received a back pay in pension, which means the facility had to go back and retroactively bill the members maintenance at the rate it would have been billed if they would had been receiving that money back then. This accounted for \$12,160. Second, there was a member who had refused to pay rent, but when he died, the Department filed against the estate. The Department was paid the balance in arrears in the amount of \$25,860. Thirdly, for those members that are determined by the federal VA to be in the status of service connected, they do not pay any maintenance to the Department. In fiscal year 2018, the Department had an average of 7.9 members that did not pay maintenance due to their service-connected status.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2020  
(Not Examined)

In fiscal year 2019, the Department only had 4.9 members that did not pay maintenance for the same reason. Therefore, the Department had an average of four additional members paying maintenance in fiscal year 2019 which would account for roughly \$96,000 in this line item. Finally, a portion of the increase was due to the regular annual rate increases.

**GI Education Fund – 0447**

VA reimbursements

The increase was due to timing of Federal reimbursements and supplementals.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2020  
(Not Examined)

**Fiscal Year 2020**

**Illinois Veterans' Assistance Fund (0236)**

Grants are typically approved and processed at the end of the fiscal year. This is a reoccurring theme and will continue to be.

**Veterans' Affairs State Projects Fund (0501)**

The Department has an Intergovernmental Agreement with the Department of Human Services (DHS) for assisting with the national census count. DHS had issued a check to the Department for census funding in April 2020. However, the address listed on file for the Department at the Illinois Office of the Comptroller was outdated. A stop payment was issued on the check and a new one was not subsequently received till late June 2020 due to technical issues. For this reason, the monies were expended later than anticipated.

**Quincy Veterans' Home Fund (0619)**

The lapse period spending consisted primarily of contractual services, commodities, and equipment spending.

Contractual services are generally billed the month after service. Once processed, the approval process can be expected to take two to four weeks, and then another one to four weeks for payment to be issued by the Illinois Office of the Comptroller. Most May and June invoices are paid in lapse period. Commodities follow the same pattern due to the time needed for approval and payment of each invoice.

In general, more equipment purchases would be made towards the end of the fiscal year. For the Quincy Veterans' Home, equipment purchases start picking up late winter, early spring since the majority of the fiscal year has passed, and the Home has made sure there was enough money to cover any unexpected purchases before the start of procuring planned purchases. Larger equipment items procured towards the end of the fiscal year are often delivered and paid for during lapse period due to lead times required for a vendor to obtain the equipment.

**Veterans' Affairs Library Grant Fund (0775)**

The Department receives a grant for library spending each year from the Secretary of State. The unspent monies from this grant must be returned each fiscal year. This is a reoccurring theme and will continue to be.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2020  
(Not Examined)

**Fiscal Year 2019**

**Illinois Veterans' Assistance Fund (0236)**

Awards and grants are typically approved and processed at the end of the fiscal year. This is a reoccurring theme and will continue to be.

**Quincy Veterans' Home Fund (0619)**

The lapse period spending consisted primarily of contractual services, commodities, and equipment spending.

Contractual services are generally billed the month after service. Once processed, the approval process can be expected to take two to four weeks, and then another one to four weeks for payment to be issued by the Illinois Office of the Comptroller. Most May and June invoices are paid in lapse period. Commodities follow the same pattern due to the time needed for approval and payment of each invoice.

In general, more equipment purchases would be made towards the end of the fiscal year. For the Quincy Veterans' Home, equipment purchases start picking up late winter and early spring since the majority of the fiscal year has passed, and the Home has made sure there was enough money to cover any unexpected purchases before the start of procuring planned purchases. Larger equipment items procured towards the end of the fiscal year are often delivered and paid for during lapse period due to lead times required for a vendor to obtain the equipment.

**Veterans' Affairs Library Grant Fund (0775)**

The Department receives a grant for library spending each year from Secretary of State. The unspent monies from this grant must be returned each fiscal year. This is a reoccurring theme and will continue to be.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**NUMBER OF EMPLOYEES**  
(Not Examined)  
For the Fiscal Year Ended June 30,

<u>AVERAGE FULL-TIME EMPLOYEES</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Central Office	34	37	38
Veterans Service Officers	64	65	68
Veterans' Home at Anna	82	82	71
Veterans' Home at Quincy	484	494	488
Veterans' Home at LaSalle	226	224	206
Veterans' Home at Manteno	297	305	311
Homeless Program at Manteno	8	8	8
State Approving Agency	6	5	6
Troops to Teachers	-	-	2
	<hr/>	<hr/>	<hr/>
Total average full-time employees	<u>1,201</u>	<u>1,220</u>	<u>1,198</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COST STATISTICS**  
For the Years Ended June 30, 2020, 2019 and 2018  
(Not Examined)

**Anna Veterans' Home**

**RATIO OF EMPLOYEES TO RESIDENTS**

Data for fiscal years ended June 30:

	2020	2019	2018
Licensed capacity of Home	62	62	62
Funded capacity of Home	61	61	61
Daily average number of residents:			
Skilled care	42	47	47
Domiciliary	8	9	10
Average number of State employees	78	78	78
Ratio of employees to residents:			
Skilled care	1.85 to 1	1.65 to 1	1.66 to 1
Domiciliary**			

\*\* Domiciliary care is not an area within the Homes that have skilled staff specifically assigned for care of the residents. Staff are used within Domiciliary care as needed.

**COST PER RESIDENT**

Costs of resident care fiscal years ended June 30:

	2020	2019	2018
Average healthcare spending per resident per year *	\$10,920	\$9,797	\$ 9,201
Average cost per resident per meal (excludes labor costs)	\$3.54	\$4.06	\$ 4.05
Average annual cost of meals per resident (excludes labor costs)	\$3,876	\$4,445	\$ 4,438
Average annual cost of care per resident:			
Skilled care	\$149,438	\$127,853	\$ 125,555

\* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COST STATISTICS**  
For the Years Ended June 30, 2020, 2019 and 2018  
(Not Examined)

**Anna Veterans' Home (Continued)**

**INJURY STATISTICS**

Injuries reported to the Illinois Department of Public Health for the fiscal years ended June 30:

	2020	2019	2018
Number of resident injuries	3	9	2

**VETERANS SERVED**

The purpose of the Home is to provide nursing home care to Illinois veterans.

Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2020, with a comparison to the fiscal year ended June 30, 2018:

	2020	2019	2018
Nursing care:			
Number of admissions	15	18	25
Number of deaths	23	21	24
Number of discharges	3	5	2
Veteran days of care furnished	16,761	17,712	17,501
Domiciliary care:			
Number of admissions	2	3	5
Number of deaths	1	0	0
Number of discharges	0	3	2
Veteran days of care furnished	2,683	3,496	3,796

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COST STATISTICS**  
For the Years Ended June 30, 2020, 2019 and 2018  
(Not Examined)

**LaSalle Veterans' Home**

**RATIO OF EMPLOYEES TO RESIDENTS**

Data for fiscal years ended June 30:

	2020	2019	2018
Licensed capacity of Home	190	190	200
Funded capacity of Home	184	184	184
Daily average number of residents:			
Skilled care	157	180	175
Average number of State employees	215	214	208
Ratio of employees to residents:			
Skilled care	1.37 to 1	1.19 to 1	1.19 to 1

**COST PER RESIDENT**

Costs of resident care fiscal years ended June 30:

	2020	2019	2018
Average healthcare spending per resident per year *	\$6,460	\$5,655	\$ 6,663
Average cost per resident per meal (excludes labor costs)	\$4.08	\$3.74	\$ 4.03
Average annual cost of meals per resident (excludes labor costs)	\$4,468	\$4,099	\$ 4,417
Average annual cost of care per skilled care resident	\$129,453	\$110,652	\$ 121,072

\* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

**INJURY STATISTICS**

Injuries reported to the Illinois Department of Public Health for the fiscal years ended June 30:

	2020	2019	2018
Number of resident injuries	16	18	22

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COST STATISTICS**  
For the Years Ended June 30, 2020, 2019 and 2018  
(Not Examined)

**LaSalle Veterans' Home (Continued)**

**VETERANS SERVED**

The purpose of the Home is to provide nursing home care to Illinois veterans. Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2020, with a comparison to the fiscal year ended June 30, 2018:

	2020	2019	2018
Nursing Care:			
Number of admissions	28	69	109
Number of deaths	57	68	107
Number of discharges	1	4	2
 Veteran days of care furnished	 55,066	 65,874	 64,938

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COST STATISTICS**  
For the Years Ended June 30, 2020, 2019 and 2018  
(Not Examined)

**Manteno Veterans' Home**

**RATIO OF EMPLOYEES TO RESIDENTS**

Data for fiscal years ended June 30:

	2020	2019	2018
Licensed capacity of Home	304	304	340
Funded capacity of Home	294	294	294
Daily average number of residents:			
Skilled care	238	287	284
Average number of State employees	326	314	316
Ratio of employees to residents:			
Skilled care	1.37	1.09	1.11 to 1

**COST PER RESIDENT**

Costs of resident care fiscal years ended June 30:

	2020	2019	2018
Average healthcare spending per resident per year *	\$4,983	\$3,659	\$7,488
Average cost per resident per meal (dietary contract includes labor costs)	\$9.34	\$9.20	\$ 9.05
Average annual cost of meals per resident (dietary contract includes labor costs)	\$10,393	\$9,938	\$9,915
Average annual cost of care per skilled care resident	\$111,153	\$104,619	\$118,006

\* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

**INJURY STATISTICS**

Injuries reported to the Department of Public Health for the fiscal years ended June 30:

	2020	2019	2018
Number of resident injuries	26	28	31

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COST STATISTICS**  
For the Years Ended June 30, 2020, 2019 and 2018  
(Not Examined)

**Manteno Veterans' Home (Continued)**

**VETERANS SERVED**

The purpose of the Home is to provide nursing home care to Illinois veterans.

Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2020, with a comparison to the fiscal year ended June 30, 2018:

	2020	2019	2018
Nursing Care:			
Number of admissions	46	145	157
Number of deaths	131	151	148
Number of discharges	8	10	8
 Veteran days of care furnished	 85,970	 104,942	 105,485

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COST STATISTICS**  
For the Years Ended June 30, 2020, 2019 and 2018  
(Not Examined)

**Quincy Veterans' Home**

**RATIO OF EMPLOYEES TO RESIDENTS**

Data for fiscal years ended June 30:

	2020	2019	2018
Licensed capacity of Home *	551	551	551
**	132	132	132
Funded capacity of Home *	382	382	382
**	132	132	132
Daily average number of residents:			
Skilled care	300	321	315
Domiciliary	49	45	38
Average number of State employees	488	494	508
Ratio of employees to residents:			
Skilled care	1.63 to 1	1.54 to 1	1.61 to 1
Domiciliary***			

\* Nursing home care

\*\* Domiciliary care

\*\*\* Domiciliary care is not an area within the Homes that have skilled staff specifically assigned for care of the residents. Staff are used within Domiciliary care as needed.

**COST PER RESIDENT**

Costs of resident care fiscal years ended June 30:

	2020	2019	2018
Average healthcare spending per resident per year *	\$6,887	\$6,207	\$ 6,931
Average cost per resident per meal (excludes labor costs)	\$3.63	\$3.61	\$ 3.36
Average annual cost of meals per resident (excludes labor costs)	\$3,975	\$3,953	\$ 3,679
Average annual cost of care per resident:			
Skilled care	\$150,855	\$137,317	\$ 132,926

\* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COST STATISTICS**  
For the Years Ended June 30, 2020, 2019 and 2018  
(Not Examined)

**Quincy Veterans' Home (Continued)**

**INJURY STATISTICS**

Injuries reported to the Illinois Department of Public Health for the fiscal years ended June 30:

	2020	2019	2018
Number of resident injuries	47	49	47

**VETERANS SERVED**

The purpose of the Home is to provide nursing home care to Illinois veterans.

Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2020, with a comparison to the fiscal year ended June 30, 2018:

	2020	2019	2018
Nursing Care:			
Number of admissions	72	99	120
Number of deaths	105	94	122
Number of discharges	5	10	19
Veteran days of care furnished	96,130	98,760	103,236
Domiciliary care:			
Number of admissions	5	3	7
Number of deaths	0	0	0
Number of discharges	1	1	1
Veteran days of care furnished	8,137	6,280	5,393

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COST STATISTICS**  
For the Years Ended June 30, 2020, 2019 and 2018  
(Not Examined)

**Prince Home**

**RATIO OF EMPLOYEES TO RESIDENTS**

Data for fiscal years ended June 30:

	2020	2019	2018
Licensed capacity of Home	15	15	15
Daily average number of residents	10	14	14
Average number of State employees	9	9	10
Ratio of employees to residents	.9 to 1	.6 to 1	.7 to 1

**VETERANS SERVED**

The purpose of the Home is to provide assistance to Illinois veterans. Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2020, with a comparison to the fiscal year ended June 30, 2018:

	2020	2019	2018
Number of admissions	8	12	10
Number of releases:	11	9	13
Graduation (successful completion)	3	2	3
Involuntary discharge	4	3	2
Voluntary termination from program	4	4	8

Note 1: The FY18 compliance report listed the licensed capacity of the Prince Home as 16 beds. Per discussions with Department management, this was a typo as the max bed capacity was 15 in 2018, and that number has not changed since.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**DISCLOSURE OF EMERGENCY PURCHASES**  
For the Two Years Ended June 30, 2020  
(Not Examined)

**Fiscal Year 2020**

**Prevent or Minimize Disruption to Critical State Services**

Veterans' Homes

The Department entered into a contract for a Water Management Plan, water sample collections and the testing of those samples for Legionella. The Department ultimately paid its vendor, Phigenics, LLC, \$145,884 for these services.

**Prevent or Minimize Disruption to Critical State Services**

LaSalle Home

The Illinois Department of Veterans' Affairs - LaSalle Home does not have an on-site pharmacy and needs to contract out with a vendor to ensure continued pharmaceutical operations at the Home. The Department ultimately paid its vendor, Enloe Drugs LLC, \$71,333 for pharmaceutical operations.

**Fiscal Year 2019**

**Prevent or Minimize Disruption to Critical State Services**

LaSalle Home

The Illinois Department of Veterans' Affairs - LaSalle Home does not have an on-site pharmacy and needs to contract out with a vendor to ensure continued pharmaceutical operations at the Home. The Department ultimately paid its vendor, Enloe Drugs LLC, \$557,744 for pharmaceutical operations.

**Prevent or Minimize Disruption to Critical State Services**

Veterans' Homes

Point Click has been providing software services for the care of Veterans. If the Department is without these services and the system is shut down, there would be a lapse in service resulting in medical errors that would affect Illinois Veterans health and safety, a risk of losing federal per diem funding, and state nursing home licensure would be at risk. The Department ultimately paid its vendor, PointClickCare, \$198,759 for the software services.

**Prevent or Minimize Disruption to Critical State Services**

Veterans' Homes

The Department entered into a contract for a Water Management Plan, water sample collections and the testing of those samples for Legionella. The Department ultimately paid its vendor, Phigenics, LLC, \$23,169 for these services.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**HOUSING BENEFITS**  
For the Years Ended June 30, 2020, 2019 and 2018  
(Not Examined)

**Lodging Provided for the Convenience of the Employer**

The Department, in its best interest, provides overnight lodging to the Home administrator at Quincy so the administrator can immediately respond to emergencies. All routine maintenance, repairs, and utility costs are paid for by the Department. Each night's stay will be reportable at a taxable rate of \$9 for each night and provide for the proper tax treatment of this policy. The Department has developed a written policy for State employee housing. During the current engagement period this benefit has not been used by the Quincy Home administrator.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**DISCLOSURE OF EMERGENCY PURCHASES UNDER THE  
GUBERNATORIAL COVID-19 DISASTER PROCLAMATIONS**  
For the Two Years Ended June 30, 2020  
(Not Examined)

The Governor, in response to the COVID-19 pandemic, issued sequential Gubernatorial Disaster Proclamations from March 12, 2020, through June 30, 2020. These proclamations allowed the Department of Veterans' Affairs to waive the requirements of the Illinois Procurement Code to the extent the requirement (1) would have, in any way, prevented, hindered, or delayed necessary action to cope with the COVID-19 pandemic and (2) was not required by federal law. The following procurements were all processed under this waiver granted by the Governor.

**Fiscal Year 2020**

**Quincy Veterans' Home**

PPE

The Home made several small purchases for PPE including but not limited to gloves, masks, gowns, and goggles. The Home paid vendors \$69,597 to obtain PPE.

Sanitizer/Disinfectant

The Home made several small purchases for sanitizers and disinfectants. The Home paid vendors \$89,947 to obtain the sanitizers and disinfectants.

Thermometers

The Home made several small purchases for thermometers. The Home paid vendors \$6,749 for the thermometers.

Air scrubbers

The Home made small purchases to rent air scrubbers. The Home paid the vendor \$14,520 for the rental.

Lexan

The Home made a small purchase for Lexan, which are transparent polycarbonate barriers. The Home paid the vendor \$2,688 for the Lexan.

Door levels/closers

The Home made a small purchase for door levels and closers. The Home paid the vendor \$2,560 for the levels and closers.

Food and disposable dinnerware

The Home made several small purchases for food and disposable dinnerware including plates, bowls, lids, and utensils. The Home paid the vendors \$16,488 for these items.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**DISCLOSURE OF EMERGENCY PURCHASES UNDER THE  
GUBERNATORIAL COVID-19 DISASTER PROCLAMATIONS**  
For the Two Years Ended June 30, 2020  
(Not Examined)

Flowmeter

The Home made a small purchase for flowmeters. The Home paid the vendor \$2,608 for the flowmeters.

Oxygen concentrators

The Home made a small purchase for oxygen concentrators. The Home paid the vendor \$2,376 for the oxygen concentrators.

Lifts

The Home made a small purchase for lifts. The Home paid the vendor \$16,731 for the lifts.

Negative pressure room

The Home made a small purchase for items related to the negative pressure rooms. The Home paid the vendor \$12,520 for these items.

**Manteno Veterans' Home**

PPE

The Home made several small purchases for PPE including but not limited to gloves, masks, gowns, and goggles. The Home paid vendors \$363,988 to obtain PPE.

Sanitizer/Disinfectant

The Home made several small purchases for sanitizers and disinfectants. The Home paid vendors \$23,842 to obtain the sanitizers and disinfectants.

Thermometers

The Home made several small purchases for thermometers. The Home paid vendors \$3,563 for the thermometers.

Air scrubbers

The Home made small purchases to rent air scrubbers. The Home paid the vendor \$30,546 for the rental.

Food service

The Home made a purchase for food service. The Home paid the vendor \$22,113 for food service.

Labor

The Home made several small purchases for additional labor. The Home paid the vendors \$29,147 for additional labor.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**DISCLOSURE OF EMERGENCY PURCHASES UNDER THE  
GUBERNATORIAL COVID-19 DISASTER PROCLAMATIONS**  
For the Two Years Ended June 30, 2020  
(Not Examined)

Laundry

The Home made a purchase for additional laundry services. The Home paid \$23,275 for these additional services.

Negative pressure room

The Home made a purchase for an Accutrom room pressure monitor. The Home paid the vendor \$3,282 for the monitor.

Dust barrier items

The Home made purchases for dust barrier items. The Home paid \$4,553 for these items.

Laundry carts

The Home purchased some laundry hamper carts. The Home paid \$6,583 for these carts.

Air filters

The Home purchased BAIR air filters. The Home paid the vendor \$2,530 for the filters.

IV supplies

The Home made a purchase for IV supplies. The Home paid the vendor \$2,061 for the supplies.

Trash cans

The Home purchased trash cans. The Home paid the vendor \$2,219 for the trash cans.

Platform truck/utility cart

The Home purchased a platform truck/utility cart. The Home paid the vendor \$4,942 for the cart.

**LaSalle Veterans' Home**

PPE

The Home made several small purchases for PPE including but not limited to gloves, masks, gowns, and goggles. The Home paid vendors \$279,311 to obtain PPE.

Sanitizer/Disinfectant

The Home made several small purchases for sanitizers and disinfectants. The Home paid vendors \$21,008 to obtain the sanitizers and disinfectants.

Thermometers

The Home made several small purchases for thermometers. The Home paid vendors \$2,509 for the thermometers.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**DISCLOSURE OF EMERGENCY PURCHASES UNDER THE  
GUBERNATORIAL COVID-19 DISASTER PROCLAMATIONS**  
For the Two Years Ended June 30, 2020  
(Not Examined)

Laundry

The Home made purchases for additional laundry services and supplies. The Home paid \$56,464 for these additional services and supplies.

Food and disposable dinnerware

The Home made several small purchases for food and disposable dinnerware including plates, bowls, lids, and utensils. The Home paid the vendors \$27,281 for these items.

Bar Towels

The Home made a purchase for bar towels. The Home paid the vendor \$2,385 for the towels.

Oxygen concentrators

The Home made a small purchase for oxygen concentrators. The Home paid the vendor \$25,500 for the oxygen concentrators.

Air filters

The Home purchased HEPA air filters. The Home paid the vendor \$4,190 for the filters.

Equipment

The Home made a purchase for equipment and installation for senior TV. The Home paid the vendor \$11,938 for the equipment and installation.

Aspirators

The Home purchased aspirators. The Home paid the vendor \$8,290 for the aspirators.

Wardrobe lockers

The Home purchased wardrobe lockers. The Home paid the vendor \$2,696 for the lockers.

Laundry carts

The Home purchased some laundry hamper carts. The Home paid \$3,297 for these carts.

Lifts

The Home made a small purchase for lifts. The Home paid the vendor \$6,670 for the lifts.

Landscaping

The Home paid for landscaping for visits. The Home paid the vendor \$4,930 for the landscaping.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**DISCLOSURE OF EMERGENCY PURCHASES UNDER THE  
GUBERNATORIAL COVID-19 DISASTER PROCLAMATIONS**  
For the Two Years Ended June 30, 2020  
(Not Examined)

**Chicago Veterans' Home**

PPE

The Home made several small purchases for PPE including but not limited to gloves, masks, gowns, and goggles. The Home paid vendors \$5,700 to obtain PPE.

**Anna Veterans' Home**

PPE

The Home made several small purchases for PPE including but not limited to gloves, masks, gowns, and goggles. The Home paid vendors \$66,289 to obtain PPE.

Sanitizer/Disinfectant

The Home made several small purchases for sanitizers and disinfectants. The Home paid vendors \$18,003 to obtain the sanitizers and disinfectants.

Trash cans

The Home purchased trash cans. The Home paid the vendor \$3,456 for the trash cans.

Tables

The Home made purchases for over bed tables. The Home paid \$3,544 for these tables.

Oxygen concentrators

The Home made a small purchase for oxygen concentrators. The Home paid the vendor \$2,635 for the oxygen concentrators.

IV supplies

The Home made a purchase for a Baxter pump. The Home paid the vendor \$2,485 for the pump.

Shed

The Home made a purchase of a shed. The Home paid the vendor \$6,310 for the shed.

Building lease

The Home leased a building. The Home paid the vendor \$19,400 for the building lease.

Beds

The Home purchased hospital beds. The Home paid the vendor \$11,994 for the beds.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**DISCLOSURE OF EMERGENCY PURCHASES UNDER THE  
GUBERNATORIAL COVID-19 DISASTER PROCLAMATIONS**  
For the Two Years Ended June 30, 2020  
(Not Examined)

**Fiscal Year 2019**

The Department did not have any emergency purchases related to the COVID-19 pandemic during Fiscal Year 2019.

\*The Department reported purchases that were made that exceeded the BidBuy threshold of \$2,000. The Department combined purchases of similar nature.