



STATE OF ILLINOIS
**OFFICE OF THE
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF PUBLIC HEALTH

**State Compliance Examination
 For the Two Years Ended June 30, 2021**

Release Date: June 8, 2022

| FINDINGS THIS AUDIT: 31 | | | | AGING SCHEDULE OF REPEATED FINDINGS | | | |
|--------------------------------|------------|---------------|--------------|--|---------------------|----------------------------|-------------------|
| | <u>New</u> | <u>Repeat</u> | <u>Total</u> | Repeated Since | Category 1 | Category 2 | Category 3 |
| Category 1: | 0 | 4 | 4 | 2019 | | 21-20 | |
| Category 2: | 10 | 17 | 27 | 2017 | 21-03 | 21-12, 21-17, 21-18, 21-19 | |
| Category 3: | 0 | 0 | 0 | 2015 | | 21-11, 21-13, 21-14, 21-28 | |
| TOTAL | 10 | 21 | 31 | 2013 | 21-02, 21-04 | 21-06, 21-08, 21-15 | |
| | | | | 2011 | | 21-07, 21-16 | |
| FINDINGS LAST AUDIT: 26 | | | | 2007 | 21-01 | 21-05, 21-09 | |
| | | | | 2003 | | 21-10 | |

SYNOPSIS

- **(21-01)** The Department did not exercise adequate controls over State vehicles.
- **(21-02)** The Department did not maintain adequate controls over its property and related records.
- **(21-07)** The Department did not exercise adequate controls over the approval and reporting of overtime to ensure employees' overtime requests were properly approved and overtime details were timely reported.
- **(21-11)** The Department did not comply with provisions of the Nursing Home Care Act to publish and notify distressed facilities, establish a mentor program and sanctions, and report on revocation criteria and recommended statutory changes.
- **(21-27)** The Department did not require tobacco manufacturers to submit the annual written compliance reports and did not adopt rules required by the Tobacco Products Compliance Act.

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| Category 1: Findings that are material weaknesses in internal control and/or a qualification on compliance with State laws and regulations (material noncompliance). |
| Category 2: Findings that are significant deficiencies in internal control and noncompliance with State laws and regulations. |
| Category 3: Findings that have no internal control issues but are in noncompliance with State laws and regulations. |

**DEPARTMENT OF PUBLIC HEALTH
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021**

| EXPENDITURE STATISTICS | 2021 | 2020 | 2019 |
|---|-----------------------|-----------------------|-----------------------|
| Total Expenditures..... | \$ 953,322,830 | \$ 570,004,377 | \$ 441,253,899 |
| OPERATIONS TOTAL..... | \$ 860,768,014 | \$ 472,854,840 | \$ 242,493,891 |
| % of Total Expenditures..... | 90.3% | 83.0% | 55.0% |
| Personal Services..... | 57,344,719 | 56,888,303 | 104,727,233 |
| Other Payroll Costs (FICA, Retirement)..... | 16,208,811 | 16,397,521 | 47,547,392 |
| All Other Operating Expenditures..... | 787,214,484 | 399,569,016 | 90,219,266 |
| AWARDS AND GRANTS..... | \$ 92,554,816 | \$ 97,149,537 | \$ 198,760,008 |
| % of Total Expenditures..... | 9.7% | 17.0% | 45.0% |
| Total Receipts..... | \$ 454,630,267 | \$ 336,762,544 | \$ 253,823,964 |
| Average Number of Employees..... | 1,206 | 1,172 | 1,167 |

| AGENCY DIRECTOR | |
|----------------------------|---|
| During Examination Period: | Dr. Ngozi Ezike |
| Currently: | Dr. Amaal Tokars (Acting) (effective 3/15/22) |

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER THE
ADMINISTRATION OF STATE VEHICLES**

The Department did not exercise adequate internal controls over State vehicles.

The Department's fleet consisted of 89 vehicles at June 30, 2020 and 77 at June 30, 2021. Of those vehicles, 34 were personally assigned to employees during Fiscal Year 2020 and 41 in Fiscal Year 2021.

Following are a few items noted during testing:

No mileage logs for six vehicles tested

- The Department was not able to provide the vehicle mileage log reports for six of 89 (7%) vehicles tested, as such, we were not able to determine whether these vehicles were efficiently utilized for the specific operational needs of the Department, properly maintained, and the mileage properly reported.

Vehicles were not properly maintained

- The Department did not ensure its vehicles were properly maintained during the engagement period. We reviewed the maintenance records for 19 vehicles and noted the following:

Vehicles did not receive oil changes

- Nine (47%) vehicles tested received oil changes from 100 to 3,215 miles past the allowed oil change interval. Additionally, two (11%) vehicles tested did not receive oil change during the engagement period.

Vehicles did not receive tire rotations

- Seven (37%) vehicles tested did not receive a tire rotation, as required.

Vehicles did not undergo an annual inspection

- Five (26%) vehicles tested did not undergo an annual inspection during the engagement period.

- The Department did not exercise adequate control over the personal use of State vehicles. We noted the following:

Vehicle logs and forms were not reviewed for fringe benefit determination

- Eighty of 80 (100%) monthly vehicle logs and vehicle use certification forms tested were not reviewed and reconciled for the determination of the fringe benefit value submitted for tax purposes. The Department only used the commuting days reflected in the certification forms to report fringe benefits. In addition, 17 of 80 (21%) monthly vehicle logs and vehicle use certification forms tested differed as to the number of commuting days the State vehicle was used, resulting in understatements of reported fringe

Reported fringe benefits were understated

benefit payments for tax purposes totaling \$36 and \$35 in Fiscal Year 2020 and Fiscal Year 2021, respectively.

Vehicle use certification forms were submitted late

- Fifty-seven of 80 (71%) vehicle use certification forms tested were not submitted to the Payroll Division on the 10th of the month following the usage. The vehicle use certification forms were submitted from 1 to 94 days late. Additionally, eight of 80 (10%) vehicle use certification forms were not submitted. (Finding 1, pages 14-18) **This finding was first reported in 2007.**

We recommended the Department ensure vehicle mileage log reports are maintained to monitor utilization and maintenance of the State vehicle, enforce vehicle maintenance schedules to ensure vehicle safety, to reduce future year expenditures for repairs, and to extend the useful lives of vehicles, ensure the proper reporting of fringe benefits and documentation related to the personal use of State vehicles, and remind staff of reporting requirements.

Department agreed with the finding

Department officials agreed with this finding and recommendation.

PROPERTY CONTROL WEAKNESSES

The Department did not maintain adequate controls over its property and related records.

Following are a few items noted during testing:

Property additions were recorded from 14 to 80 days late

- Seven of 60 (12%) property additions tested, totaling \$286,274, were recorded from 14 to 80 days late.

Items were not recorded in the property records

- Two of 60 (3%) items tested, totaling \$37,790, were not recorded in the property records.

Equipment was not reported in the C-15 reports

- Due to a lack of adequate policies and procedures, the Department was not consistent in classifying equipment that is subject to theft. Equipment totaling \$106,109 and \$158,908 were not properly classified as subject to theft and not reported in the Fiscal Year 2020 and Fiscal Year 2021 C-15 Reports, respectively

Capital leases, totaling \$744,006, were not reported to CMS

- Capital lease assets, totaling \$744,006, were not reported in the property listing submitted to CMS during Fiscal Year 2020.

Equipment items, totaling \$370,598, were not reported to CMS

- Equipment items, totaling \$370,598 were not reported in the property listing submitted to CMS during Fiscal Year 2020.

Vehicles totaling \$72,661 were not deleted from the property listing

- Four vehicles, totaling \$72,661, were sent to surplus during Fiscal Year 2021; however, these vehicles were not deleted from the property listing and C-15 Reports. (Finding 2, pages 19-22) **This finding was first reported in 2013.**

We recommended the Department implement procedures to strengthen controls over equipment and ensure accurate recordkeeping, reporting, and accountability for all State owned property is maintained

Department agreed with the finding

Department officials agreed with this finding and recommendation.

INADEQUATE CONTROLS OVER APPROVAL AND REPORTING OF OVERTIME

The Department did not exercise adequate controls over the approval and reporting of overtime to ensure employees' overtime requests were properly approved and overtime worked details were timely reported.

The Department paid \$6,015,982 for 93,064 hours of overtime during Fiscal Year 2021 and \$3,271,885 for 48,871 hours of overtime in Fiscal Year 2020. We tested a sample of 60 pay periods and 60 employees who worked overtime during Fiscal Year 2021 and Fiscal Year 2020. The employees in our sample incurred 1,326 hours of overtime during the pay periods tested. Based upon our review of the overtime pre-approval requests and overtime worked details, we noted the following:

Overtime detail entered from 1 to 78 days after overtime was worked

- Twenty-nine of 60 (48%) employees tested worked 309 hours of overtime and did not enter the detail in the timekeeping system, eTime, within two working days as required. The details were submitted and entered from one to 78 days after the overtime was worked.

Overtime requests were not timely submitted

- For 20 of 60 (33%) employees tested, overtime pre-approval requests totaling 533 hours were not timely submitted by employees. These requests were submitted from one to 78 days after the overtime was worked.

Overtime hours were not preapproved by supervisors

- For 14 of 60 (23%) employees tested, overtime pre-approval requests totaling 264 hours were not pre-approved by the supervisors. These requests were approved from two to 7 days after the overtime was worked.

Overtime preapprovals exceeded the maximum of 10 hours

- Ten of 60 (17%) employees tested had overtime pre-approval requests that exceeded the allowed maximum of 10 hours. These requests ranged from 12 to 30 hours. (Finding 7, pages 36-37) **This finding was first reported in 2011.**

We recommended the Department ensure overtime pre-approval requests are timely submitted, properly approved in advance, and documentation of pre-approval is maintained.

Department agreed with the finding

Department officials agreed with this finding and recommendation.

NONCOMPLIANCE WITH DISTRESSED FACILITIES PROVISIONS OF THE NURSING HOME CARE ACT

The Department did not comply with provisions of the Nursing Home Care Act to publish and notify distressed facilities, establish a mentor program and sanctions, and report on revocation criteria and recommended statutory changes.

List of distressed facilities not published quarterly

Mentor program and sanctions for owners not established

No report to General Assembly

During our testing, we noted the Department did not generate and publish a quarterly list of distressed facilities. We also noted the Department did not: (1) adopt criteria to identify non-Medicaid-certified facilities that are distressed or publish a quarterly list; (2) establish, by rule, a mentor program for owners of distressed facilities and sanctions against distressed facilities that are not in compliance with the Act and with federal certification requirements; and (3) report to the General Assembly on the results of negotiations regarding creating criteria for mandatory license revocations of distressed facilities and making recommendations regarding statutory changes. (Finding 11, pages 45-47) **This finding was first reported in 2015.**

We recommended the Department continue to work diligently to ensure it complies with all aspects of the distressed facility requirements of the Nursing Home Care Act or seek legislative remedy.

Department agreed with finding

Department officials agreed with this finding and recommendation.

NONCOMPLIANCE WITH THE TOBACCO PRODUCTS COMPLIANCE ACT

The Department did not require tobacco manufacturers to submit the annual written compliance reports and did not adopt rules required by the Tobacco Products Compliance Act

No annual written certifications from tobacco product manufacturers

Rules were not drafted

During testing, we noted the following:

- The Department did not receive annual written certifications from manufactures of tobacco products in the State and who distribute or sell the tobacco products in the United States.
- The Department did not draft and adopt rules required by the Act. (Finding 27, pages 77-78)

We recommended the Department adopt rules and require tobacco products manufacturer to submit the required annual written compliance certifications to the Department to comply with the Act.

Department agreed with the finding

Department officials agreed with this finding and recommendation.

OTHER FINDINGS

The remaining findings are reportedly being given attention by the Department. We will review the Department's progress toward the implementation of our recommendations during our next examination.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the Department for the two years ended June 30, 2021, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2021-001 through 2021-004. Except for the noncompliance described in these findings, the accountants stated the Department complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Roth and Company LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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