



**STATE OF ILLINOIS**

Single Audit Report

For the Year Ended June 30, 2020

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

Independent Auditors' Report on the  
Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of the Schedule of Expenditures of Federal Awards  
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report on Compliance for Each Major Program and  
Report on Internal Control Over Compliance Required by the Uniform Guidance

# STATE OF ILLINOIS

## Single Audit Report

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**Other Reports Issued Applicable to the Single Audit:**

The Comprehensive Annual Financial Report of the State of Illinois for the year ended June 30, 2020 was issued under separate cover by the Auditor General of the State of Illinois.

The Report on Internal Control over Financial Reporting and on Compliance and Other Matters and Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* for the year ended June 30, 2020 was issued under separate cover by the Auditor General of the State of Illinois.

# STATE OF ILLINOIS

## Single Audit Report

### Summary

The compliance audit testing performed in this audit was conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, Single Audit Act Amendments of 1996, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance).

### Auditors' Reports

The auditors' report on compliance and on internal control applicable to each major program contains modifications for the following programs:

#### **Qualified**

- SNAP Cluster (10.551/10.561)
- Crime Victim Assistance (16.575)
- Employment Service Cluster (17.207/17.801/17.804)
- Unemployment Insurance Program (17.225)
- Special Education Cluster (84.027/84.173)
- Temporary Assistance for Needy Families (93.558)
- CCDF Cluster (93.575/93.596)
- Social Services Block Grant (93.667)
- Children's Health Insurance Program (93.767)
- Medicaid Cluster (93.775/93.777/93.778)
- Block Grants for Prevention and Treatment of Substance Abuse (93.959)

### Summary of Audit Findings

Number of audit findings:	<u>This audit</u>	<u>Prior audit</u>
This audit	29	69
Repeated audit findings	20*	51
Prior findings implemented or not repeated	40	29
Prior findings not corrected noted in summary schedule of prior year findings	9	-

\* Two of the 20 repeated audit findings were combined into one current year finding.



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## **Independent Auditors' Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

### **Report on the Schedule of Expenditures of Federal Awards**

As special assistance auditors for the Auditor General, we have audited the accompanying schedule of expenditures of federal awards of the State of Illinois for the year ended June 30, 2020 and the related notes (the Schedule).

#### *Management's Responsibility for the Schedule of Expenditures of Federal Awards*

Management is responsible for the preparation and fair presentation of this Schedule in accordance with the cash basis of accounting described in note 1(c); this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the Schedule in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a Schedule that is free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on this Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### *Opinion*

In our opinion, the schedule of expenditures of federal awards referred to above presents fairly, in all material respects, the expenditures of federal awards of the State of Illinois for the year ended June 30, 2020 in accordance with the cash basis of accounting described in note 1(c).

### *Basis of Accounting*

We draw attention to note 1(c) of the Schedule, which describes the basis of accounting. The Schedule is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### *Other Matters*

As described in note 1(a) to the Schedule, the Schedule does not include expenditures of federal awards for those agencies determined to be component units of the State of Illinois for financial statement purposes. Each of these agencies has their own independent audit in compliance with the Uniform Guidance.

Also as described in note 1(a) to the Schedule, the Schedule does not include federal transactions related to loans held and serviced by the Illinois Designated Account Purchase Program (IDAPP), a division of the Illinois Student Assistance Commission, under the Federal Family Educational Loan program CFDA 84.032L. IDAPP has elected to have a separate lender compliance audit performed in accordance with the U.S. Department of Education's *Compliance Audits (Attestation Engagements) for Lenders and Lender Servicers Participating in the Federal Family Education Loan Program* Audit Guide.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2021 on our consideration of the State of Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois' internal control over financial reporting and compliance.

**KPMG LLP**

Chicago, Illinois  
August 26, 2021

**THE STATE OF ILLINOIS**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

<b>Federal Agency/Program or Cluster</b>	<b>Federal CFDA #</b>	<b>Amounts (expressed in thousands)</b>		
		<b>Expenditures</b>	<b>Passed-through to subrecipients</b>	
<b>U.S. Department of Agriculture</b>				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	\$ 318	185	
Conservation Reserve Program	10.069	383	-	
Voluntary Public Access and Habitat Incentive Program	10.093	227	-	
Market News	10.153	10	-	
Market Protection and Promotion	10.163	84	-	
Specialty Crop Block Grant Program - Farm Bill	10.170	496	479	
Trade Mitigation Program Eligible Recipient Agency Operational Funds	10.178	1,926	1,926	
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	6,156	-	
Cooperative Extension Service	10.500	113	-	
Data and Technical Assistance Grants	10.537	1	-	
CACFP Meal Service Training Grants	10.534	29	-	
SNAP Cluster:				
Supplemental Nutrition Assistance Program	10.551	3,239,352	-	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	144,619	18,566	
Total SNAP Cluster			3,383,971	
Child Nutrition Cluster:				
School Breakfast Program	10.553	108,554	108,375	
COVID-19 - School Breakfast Program	10.553	9,385	9,385	
National School Lunch Program	10.555	392,822	391,746	
COVID-19 - National School Lunch Program	10.555	23,344	23,344	
Special Milk Program for Children	10.556	1,238	1,238	
Summer Food Service Program for Children	10.559	15,554	135,595	
COVID-19 - Summer Food Service Program for Children	10.559	120,280	-	
Total Child Nutrition Cluster			671,177	
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	143,869	81,463	
Child and Adult Care Food Program	10.558	116,543	127,879	
COVID-19 - Child and Adult Care Food Program	10.558	12,193	-	
Total Child and Adult Care Food Program			128,736	
State Administrative Expenses for Child Nutrition	10.560	11,165	3	
Food Distribution Cluster:				
Commodity Supplemental Food Program	10.565	7,064	7,064	
Emergency Food Assistance Program (Administrative Costs)	10.568	3,938	3,815	
Emergency Food Assistance Program (Food Commodities)	10.569	24,801	24,801	
Total Food Distribution Cluster			35,803	
WIC Farmers' Market Nutrition Program (FMNP)	10.572	190	39	
Senior Farmers Market Nutrition Program	10.576	614	-	
WIC Grants To States (WGS)	10.578	1,309	-	
Child Nutrition Discretionary Grants Limited Availability	10.579	737	737	
Fresh Fruit and Vegetable Program	10.582	3,192	3,192	
Child Nutrition Direct Certification Performance Awards	10.589	201	201	
Pilot Projects to Reduce Dependency and Increase Work Requirements and Work Effort under SNAP	10.596	1	(69)	
Cooperative Forestry Assistance	10.664	570	478	
Forest Legacy Program	10.676	12	-	
Forest Stewardship Program	10.678	150	-	
Regional Conservation Partnership Program	10.932	4	1	
<b>U.S. Department of Agriculture Total</b>			<b>4,391,444</b>	<b>940,443</b>
<b>U.S. Department of Commerce</b>				
Coastal Zone Management Administration Awards	11.419	1,390	856	
State and Local Implementation Grant Program	11.549	130	114	
<b>U.S. Department of Commerce Total</b>			<b>1,520</b>	<b>970</b>
<b>U.S. Department of Defense</b>				
Procurement Technical Assistance For Business Firms	12.002	627	340	
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	745	-	
Military Construction, National Guard	12.400	12,313	-	
National Guard Military Operations and Maintenance (O&M) Projects	12.401	22,650	-	
National Guard Challenge Program	12.404	3,722	-	
<b>U.S. Department of Defense Total</b>			<b>40,057</b>	<b>340</b>
<b>U.S. Department of Housing and Urban Development</b>				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	34,460	33,591	
Emergency Solutions Grants Program	14.231	4,680	4,268	
Housing Opportunities for Persons with AIDS	14.241	1,855	1,855	
Fair Housing Assistance Program State and Local	14.401	654	-	
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	218	191	
<b>U.S. Department of Housing and Urban Development Total</b>			<b>41,867</b>	<b>39,905</b>

**THE STATE OF ILLINOIS**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

<b>Federal Agency/Program or Cluster</b>	<b>Federal CFDA #</b>	<b>Amounts (expressed in thousands)</b>	
		<b>Expenditures</b>	<b>Passed-through to subrecipients</b>
<b>U.S. Department of Interior</b>			
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	2,866	-
Abandoned Mine Land Reclamation (AMLR)	15.252	7,513	-
Flood Control Act Lands	15.433	670	-
Fish and Wildlife Management Assistance	15.608	150	150
Fish and Wildlife Cluster:			-
Sport Fish Restoration	15.605	5,778	1,700
Wildlife Restoration and Basic Hunter Education	15.611	6,578	2,779
Total Fish and Wildlife Cluster		12,356	
Cooperative Endangered Species Conservation Fund	15.615	19	19
State Wildlife Grants	15.634	921	753
Great Lakes Restoration	15.662	4,477	1,037
Historic Preservation Fund Grants-In-Aid	15.904	1,367	-
Outdoor Recreation Acquisition, Development and Planning	15.916	2,281	2,281
National Maritime Heritage Grants	15.925	16	16
<b>U.S. Department of Interior Total</b>		<b>32,636</b>	<b>8,735</b>
<b>U.S. Department of Justice</b>			
Sexual Assault Services Formula Program	16.017	160	139
Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities	16.529	82	56
Juvenile Justice and Delinquency Prevention	16.540	1,051	873
Missing Children's Assistance	16.543	220	-
State Justice Statistics Program for Statistical Analysis Centers	16.550	118	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	41	-
Crime Victim Assistance	16.575	71,019	68,765
Crime Victim Compensation	16.576	3,511	-
Crime Victim Assistance/Discretionary Grants	16.582	763	175
Drug Court Discretionary Program	16.585	1	-
Violence Against Women Formula Grants	16.588	4,410	4,051
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589	127	-
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	233	-
Residential Substance Abuse Treatment for State Prisoners	16.593	91	-
State Criminal Alien Assistance Program	16.606	7,566	-
Bulletproof Vest Partnership Program	16.607	13	-
Special Data Collections and Statistical Studies	16.734	270	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	5,279	4,553
DNA Backlog Reduction Program	16.741	1,800	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	715	200
Harold Rogers Prescription Drug Monitoring Program	16.754	822	-
John R. Justice Prosecutors and Defenders Incentive Act	16.816	113	-
Girls in the Juvenile Justice System	16.830	172	166
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	13	-
STOP School Violence	16.839	34	-
Equitable Sharing Program	16.922	595	-
<b>U.S. Department of Justice Total</b>		<b>99,219</b>	<b>78,978</b>
<b>U.S. Department of Labor</b>			
Labor Force Statistics	17.002	2,428	-
Compensation and Working Conditions	17.005	228	-
Employment Service Cluster:			
Employment Service/Wagner-Peyser Funded Activities	17.207	32,534	-
COVID-19 - Employment Service/Wagner-Peyser Funded Activities	17.207	11	-
Disabled Veterans' Outreach Program	17.801	3,739	-
Local Veterans' Employment Representative Program	17.804	3,384	-
Total Employment Service Cluster		39,668	
Unemployment Insurance	17.225	3,977,293	-
COVID-19 - Unemployment Insurance - Emergency (Administrative)	17.225	2,040	-
COVID-19 - Unemployment Insurance - Federal Pandemic Unemployment Compensation	17.225	5,206,701	-
COVID-19 - Unemployment Insurance - Pandemic Emergency Unemployment Compensation	17.225	120,079	-
COVID-19 - Unemployment Insurance - Pandemic Unemployment Assistance	17.225	378,683	-
Total Unemployment Insurance		9,684,796	
Senior Community Service Employment Program	17.235	3,014	2,874
Trade Adjustment Assistance	17.245	6,031	4,302
WIOA Cluster:			
WIOA Adult Program	17.258	39,250	36,817
WIOA Youth Activities	17.259	41,703	39,109
WIOA Dislocated Worker Formula Grants	17.278	60,853	52,726
COVID-19 - WIOA Dislocated Worker Formula Grants	17.278	53	-
Total Workforce Investment Act Cluster		141,859	
WIOA Pilots, Demonstrations, and Research Projects	17.261	263	-
H-1B Job Training Grants	17.268	32	32
Reentry Employment Opportunities	17.270	9	-

**THE STATE OF ILLINOIS**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

<b>Federal Agency/Program or Cluster</b>	<b>Federal CFDA #</b>	<b>Amounts (expressed in thousands)</b>	
		<b>Expenditures</b>	<b>Passed-through to subrecipients</b>
Work Opportunity Tax Credit Program (WOTC)	17.271	935	-
Temporary Labor Certification for Foreign Workers	17.273	649	-
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	1,887	1,732
Apprenticeship USA Grants	17.285	977	851
Occupational Safety and Health State Program	17.503	1,011	-
Consultation Agreements	17.504	1,397	-
Mine Health and Safety Grants	17.600	140	-
<b>U.S. Department of Labor Total</b>		<b>9,885,324</b>	<b>138,443</b>
<b>U.S. Department of Transportation</b>			
Airport Improvement Program	20.106	97,937	96,556
Highway Research and Development Program	20.200	539	2
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	1,617,424	142,935
Recreational Trails Program	20.219	960	-
<b>Total Highway Planning and Construction Cluster</b>		<b>1,618,384</b>	
Highway Training and Education	20.215	270	12
Motor Carrier Safety Assistance Cluster:			
Motor Carrier Safety Assistance	20.218	3,417	-
<b>Total Motor Carrier Safety Assistance Cluster</b>		<b>3,417</b>	
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223	52	-
Commercial Driver's License Program Implementation Grant	20.232	411	-
Railroad Safety	20.301	3	-
Railroad Development	20.314	392	392
High-Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grants	20.319	3,000	-
Railroad Safety Technology Grants	20.321	5,527	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Formula Grants for Rural Areas	20.505	7,256	4,220
20.509	14,214	13,444	
Transit Services Programs Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	3,503	-
<b>Total Transit Services Programs Cluster</b>		<b>3,503</b>	
Federal Transit Cluster:			
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	2,724	-
<b>Total Federal Transit Cluster</b>		<b>2,724</b>	
Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	20.528	934	-
Highway Safety Cluster:			
State and Community Highway Safety	20.600	10,311	4,521
Incentive Grant Program to Prohibit Racial Profiling	20.611	67	-
National Priority Safety Programs	20.616	7,727	1,147
<b>Total Highway Safety Cluster</b>		<b>18,105</b>	
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	20.614	158	-
Pipeline Safety Program State Base Grant	20.700	1,490	-
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	789	746
PHMSA Pipeline Safety Program One Call Grant	20.721	47	-
PHMSA Pipeline Safety Underground Natural Gas Storage Grant	20.725	214	-
National Infrastructure Investments	20.933	6,171	-
<b>U.S. Department of Transportation Total</b>		<b>1,785,537</b>	<b>263,975</b>
<b>U.S. Treasury Department</b>			
COVID-19 - Coronavirus Relief Fund	21.019	268,332	14,045
<b>U.S. Treasury Department Total</b>		<b>268,332</b>	<b>14,045</b>
<b>Equal Employment Opportunity Commission</b>			
Employment Discrimination State and Local Fair Employment	30.002	1,031	-
<b>Equal Employment Opportunity Commission Total</b>		<b>1,031</b>	<b>-</b>
<b>General Services Administration</b>			
Donation of Federal Surplus Personal Property	39.003	1,015	1,001
Election Reform Payments	39.011	65	-
<b>General Services Administration Total</b>		<b>1,080</b>	<b>1,001</b>
<b>National Endowment for the Arts</b>			
Promotion of the Arts Partnership Agreements	45.025	846	828
Grants to States	45.310	4,819	3,116
Laura Bush 21st Century Librarian Program	45.313	(5)	-
<b>National Endowment for the Arts Total</b>		<b>5,660</b>	<b>3,944</b>
<b>U.S. Small Business Administration</b>			
Small Business Development Centers	59.037	4,177	2,779
State Trade Expansion	59.061	657	-
<b>U.S. Small Business Administration Total</b>		<b>4,834</b>	<b>2,779</b>

**THE STATE OF ILLINOIS**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

<b>Federal Agency/Program or Cluster</b>	<b>Federal CFDA #</b>	<b>Amounts (expressed in thousands)</b>	
		<b>Expenditures</b>	<b>Passed-through to subrecipients</b>
<b>U.S. Department of Veterans Affairs</b>			
Veterans State Domiciliary Care	64.014	482	-
Veterans State Nursing Home Care	64.015	38,317	-
Burial Expenses Allowance for Veterans	64.101	3	-
All-Volunteer Force Educational Assistance	64.124	1,081	-
<b>U.S. Department of Veterans Affairs Total</b>		<b>39,883</b>	<b>-</b>
<b>U.S. Environmental Protection Agency</b>			
State Indoor Radon Grants	66.032	602	582
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	318	-
Multipurpose Grants to States and Tribes	66.204	26	-
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	110	62
State Underground Water Source Protection	66.433	156	-
Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(d))	66.444	17	-
Water Quality Management Planning	66.454	509	448
Clean Water State Revolving Fund Cluster:			
Capitalization Grants for Clean Water State Revolving Funds	66.458	71,742	71,731
Total Clean Water State Revolving Fund Cluster		71,742	
Nonpoint Source Implementation Grants	66.460	4,184	2,473
Drinking Water State Revolving Fund Cluster:			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	42,000	39,832
Total Drinking Water State Revolving Fund Cluster		42,000	
Great Lakes Program	66.469	408	6
Beach Monitoring and Notification Program Implementation Grants	66.472	119	59
Performance Partnership Grants	66.605	22,668	1,041
Environmental Information Exchange Network Grant Program and Related Assistance	66.608	71	-
Toxic Substances Compliance Monitoring Cooperative Agreements	66.701	121	-
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707	10	-
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	3,224	-
Underground Storage Tank Prevention, Detection, and Compliance Program	66.804	407	-
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805	1,567	-
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809	133	-
State and Tribal Response Program Grants	66.817	707	-
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	15	-
<b>U.S. Environmental Protection Agency Total</b>		<b>149,114</b>	<b>116,234</b>
<b>U.S. Department of Energy</b>			
State Energy Program	81.041	3,732	3,510
Weatherization Assistance for Low-Income Persons	81.042	11,480	10,455
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106	26	-
<b>U.S. Department of Energy Total</b>		<b>15,238</b>	<b>13,965</b>
<b>U.S. Department of Education</b>			
Adult Education - Basic Grants to States	84.002	18,846	17,642
Title I Grants to Local Educational Agencies	84.010	661,073	653,668
Migrant Education State Grant Program	84.011	1,601	1,096
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	414	-
Special Education Cluster (IDEA):			
Special Education Grants to States	84.027	532,992	518,457
Special Education Preschool Grants	84.173	17,497	17,259
Total Special Education (IDEA) Cluster		550,489	-
Federal Family Education Loan Program:	84.032G	2,859,274	-
Career and Technical Education -- Basic Grants to States	84.048	40,860	38,950
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	123,777	-
Migrant Education Coordination Program	84.144	85	14
Rehabilitation Services Client Assistance Program	84.161	423	-
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177	1,496	1,496
Special Education-Grants for Infants and Families	84.181	17,328	-
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	611	611
Education for Homeless Children and Youth	84.196	3,218	3,010
Charter Schools	84.282	929	909
Twenty-First Century Community Learning Centers	84.287	48,200	46,480
Special Education - State Personnel Development	84.323	1,834	1,830
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	374	374
Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	84.330	225	225
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	2,271	610
Rural Education	84.358	1,494	1,457
English Language Acquisition State Grants	84.365	22,408	21,632
Mathematics and Science Partnerships	84.366	1,594	1,586
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	74,605	72,889
Grants for State Assessments and Related Activities	84.369	2,047	-

**THE STATE OF ILLINOIS**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

<b>Federal Agency/Program or Cluster</b>	<b>Federal CFDA #</b>	<b>Amounts (expressed in thousands)</b>	
		<b>Expenditures</b>	<b>Passed-through to subrecipients</b>
Statewide Longitudinal Data Systems	84.372	2,261	-
School Improvement Grants	84.377	8,809	8,590
Preschool Development Grants	84.419	9,474	8,823
Student Support and Academic Enrichment Program	84.424	49,067	49,025
COVID-19 Education Stabilization Relief	84.425D	3,981	3,981
<b>U.S. Department of Education Total</b>		<b>4,509,068</b>	<b>1,470,614</b>
<b><u>National Archives and Records Administration</u></b>			
National Historical Publications and Records Grants	89.003	80	34
<b>National Archives and Records Administration Total</b>		<b>80</b>	<b>34</b>
<b><u>Election Assistance Commission</u></b>			
Help America Vote Act Requirements Payments	90.401	76	-
2018 HAVA Election Security Grants	90.404	3,805	1,989
COVID-19 - 2018 HAVA Election Security Grants	90.404	56	37
Total 2018 HAVA Election Security Grants		3,861	-
<b>Election Assistance Commission Total</b>		<b>3,937</b>	<b>2,026</b>
<b><u>U.S. Department of Health and Human Services</u></b>			
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	184	184
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	497	497
COVID-19 - Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	147	147
Total Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals		644	
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	666	665
Aging Cluster:			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	12,636	11,769
COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	1,471	1,471
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	16,903	16,667
COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	5,568	5,568
Nutrition Services Incentive Program	93.053	5,631	5,631
Total Aging Cluster		42,209	
Alzheimer's Disease Demonstration Grants to States	93.051	32	32
National Family Caregiver Support, Title III, Part E	93.052	5,557	6,233
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	727	-
Total National Family Caregiver Support, Title III, Part E		6,284	
Public Health Emergency Preparedness	93.069	12,873	6,522
Environmental Public Health and Emergency Response	93.070	662	219
Medicare Enrollment Assistance Program	93.071	1,036	996
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073	240	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)			4,392
Aligned Cooperative Agreements	93.074	6,879	-
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	93	-
Guardianship Assistance	93.090	7,701	-
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	1,761	1,591
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094	3	-
Food and Drug Administration Research	93.103	63	-
Maternal and Child Health Federal Consolidated Programs	93.110	90	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2,161	-
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	260	65
Injury Prevention and Control Research and State and Community Based Programs	93.136	5,990	1,771
Projects for Assistance in Transition from Homelessness (PATH)	93.150	2,353	2,264
Grants to States for Loan Repayment Program	93.165	627	-
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	451	-
Family Planning Services	93.217	503	306
Abstinence Education Program	93.235	2,077	1,981
Grants to States to Support Oral Health Workforce Activities	93.236	525	146
State Rural Hospital Flexibility Program	93.241	839	172
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	8,442	8,073
Immunization Cooperative Agreements	93.268	97,397	758
Drug Abuse and Addiction Research Programs	93.279	8	-
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	343	-
National Public Health Improvement Initiative	93.292	10	-
Teenage Pregnancy Prevention Program	93.297	1,708	1,595
Small Rural Hospital Improvement Grant Program	93.301	669	118
COVID-19 - Small Rural Hospital Improvement Grant Program	93.301	5,565	-
Total Small Rural Hospital Improvement Grant Program		6,234	

**THE STATE OF ILLINOIS**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

<b>Federal Agency/Program or Cluster</b>	<b>Federal CFDA #</b>	<b>Amounts (expressed in thousands)</b>	
		<b>Expenditures</b>	<b>Passed-through to subrecipients</b>
PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF)	93.305	1,233	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	160	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	4,742	172
COVID -19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	170	-
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		4,912	
State Health Insurance Assistance Program	93.324	1,555	-
Behavioral Risk Factor Surveillance System	93.336	396	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response:			
Public Health Crisis Response	93.354	2,803	1,712
COVID 19- Public Health Emergency Response: Cooperative Agreement for Emergency Response:			
Public Health Crisis Response	93.354	8,925	6,986
Total Public Health Emergency Response: Cooperative Agreement for Emergency Response		11,728	
Flexible Funding Model - Infrastructure Development and Maintenance for State	93.367	314	-
Manufactured Food Regulatory Programs			
ACL Independent Living State Grants	93.369	579	579
NON-ACA/PPHF—Building Capacity of the Public Health System to Improve Population Health through and Heart Disease and Stroke	93.426	2,339	1,153
Every Student Succeeds Act/Preschool Development Grants	93.434	3,862	163
Well-Integrated Screening and Evaluation For Women Across the Nation (WISEWOMAN)	93.436	532	154
ACL Assistive Technology	93.464	567	567
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	77	-
COVID-19 - Provider Relief Fund	93.498	174	-
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP)	93.521	114	-
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	93.525	75	-
Promoting Safe and Stable Families	93.556	10,838	4,762
Temporary Assistance for Needy Families	93.558	570,307	16,396
Child Support Enforcement	93.563	114,106	10,281
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	4,468	3,997
Low-Income Home Energy Assistance	93.568	159,646	153,557
Community Services Block Grant	93.569	35,287	33,245
CCDF Cluster:			
Child Care and Development Block Grant	93.575	310,412	59,352
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	122,889	60,959
Total CCDF Cluster		433,301	
Refugee and Entrant Assistance Discretionary Grants	93.576	121	121
State Court Improvement Program	93.586	747	617
Community-Based Child Abuse Prevention Grants	93.590	902	769
Grants to States for Access and Visitation Programs	93.597	283	-
Chafee Education and Training Vouchers Program (ETV)	93.599	821	298
Head Start	93.600	3,556	3,368
Adoption and Legal Guardianship Incentive Payments	93.603	4,059	-
Developmental Disabilities Basic Support and Advocacy Grants	93.630	3,562	2,230
Support for Ombudsman and Beneficiary Counseling Programs for States Participating in Financial Alignment Model Demonstrations for Dually Eligible Individuals	93.634	506	245
Children's Justice Grants to States	93.643	488	475
Stephanie Tubbs Jones Child Welfare Services Program	93.645	9,636	-
Child Welfare Research Training or Demonstration	93.648	9	-
Foster Care Title IV-E	93.658	140,386	-
Adoption Assistance	93.659	85,166	-
Social Services Block Grant	93.667	63,042	44,619
Child Abuse and Neglect State Grants	93.669	948	942
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	3,577	3,235
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	8,757	71
ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	(5)	-
State Public Health Approaches for Ensuring Quitline Capacity – Funded in part by Prevention and Public Health Funds (PPHF)	93.735	137	124
Elder Abuse Prevention Interventions Program	93.747	1	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.752	1	-
Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program	93.753	1	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	19	-
Alzheimer's Disease Initiative: Specialized Supportive Services Project (ADI-SSS) thru Prevention and Public Health Funds (PPHF)	93.763	41	41
Children's Health Insurance Program	93.767	482,695	-
Medicaid Cluster:			
State Medicaid Fraud Control Units	93.775	6,473	-
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	38,695	-
Medical Assistance Program	93.778	14,281,551	54,041
Total Medicaid Cluster		14,326,719	

**THE STATE OF ILLINOIS**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

<b>Federal Agency/Program or Cluster</b>	<b>Federal CFDA #</b>	<b>Amounts (expressed in thousands)</b>	
		<b>Expenditures</b>	<b>Passed-through to subrecipients</b>
Opioid STR	93.788	27,508	24,477
Money Follows the Person Rebalancing Demonstration	93.791	229	-
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	615	483
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	7,773	7,460
The Health Insurance Enforcement and Consumer Protections Grant Program	93.881	430	-
National Bioterrorism Hospital Preparedness Program	93.889	3,072	1,370
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	8,238	4,523
Grants to States for Operation of State Offices of Rural Health	93.913	178	-
HIV Care Formula Grants	93.917	40,098	7,158
HIV Prevention Activities Health Department Based	93.940	5,407	1,000
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	422	-
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	186	-
Block Grants for Community Mental Health Services	93.958	22,573	22,020
Block Grants for Prevention and Treatment of Substance Abuse	93.959	62,404	58,112
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	2,229	140
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	93.981	46	2
Preventive Health and Health Services Block Grant	93.991	2,369	286
Maternal and Child Health Services Block Grant to the States	93.994	16,264	13,806
Assisted Outpatient Treatment	93.997	73	-
<b>U.S. Department of Health and Human Services Total</b>		<b>16,904,207</b>	<b>685,901</b>
<b>Corporation for National and Community Service</b>			
State Commissions	94.003	296	-
AmeriCorps	94.006	10,803	10,672
Commission Investment Fund	94.008	100	-
Training and Technical Assistance	94.009	68	-
<b>Corporation for National and Community Service Total</b>		<b>11,267</b>	<b>10,672</b>
<b>Social Security Administration</b>			
Disability Insurance/SSI Cluster:			
Social Security Disability Insurance	96.001	70,397	-
Total Disability Insurance/SSI Cluster		70,397	-
<b>Social Security Administration Total</b>		<b>70,397</b>	<b>-</b>
<b>U.S. Department of Homeland Security</b>			
Non-Profit Security Program	97.008	1,846	1,846
Boating Safety Financial Assistance	97.012	763	-
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023	324	-
Flood Mitigation Assistance	97.029	1,719	1,719
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	12,767	5,611
Hazard Mitigation Grant	97.039	8,964	8,295
National Dam Safety Program	97.041	125	-
Emergency Management Performance Grants	97.042	7,826	2,846
Cooperating Technical Partners	97.045	50	-
Pre-Disaster Mitigation	97.047	2,961	2,961
Port Security Grant Program	97.056	19	-
Homeland Security Grant Program	97.067	68,815	61,958
Earthquake Consortium	97.082	7	-
Homeland Security Biowatch Program	97.091	1,151	-
Financial Assistance for Countering Violent Extremism	97.132	8	-
Preparing for Emerging Threats and Hazards	97.133	125	20
<b>U.S. Department of Homeland Security Total</b>		<b>107,470</b>	<b>85,256</b>
<b>Total expenditures of federal awards</b>		<b>\$ 38,369,202</b>	<b>3,878,260</b>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

## STATE OF ILLINOIS

### Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

#### 1) Summary of Significant Accounting Policies

##### a) Reporting Entity

The schedule of expenditures of federal awards (the Schedule) includes all federal award programs administered by the State of Illinois (the State), except for component units, for the fiscal year ended June 30, 2020. The State's financial reporting entity is described in note 1a of the State's Comprehensive Annual Financial Report.

The entities listed below are Discretely Presented Component Units in the State's Comprehensive Annual Financial Report, which received federal financial assistance for the year ended June 30, 2020. Each of these entities is subject to separate audits in compliance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (the Uniform Guidance).

The federal transactions of the following entities are not reflected in this Schedule:

University of Illinois	Governors State University
Illinois State University	Northeastern Illinois University
Northern Illinois University	Eastern Illinois University
Chicago State University	Southern Illinois University
Western Illinois University	Housing Development Authority

Additionally, the federal transactions related to loans held and serviced by the Illinois Designated Account Purchase Program (IDAPP), a division of the Illinois Student Assistance Commission, under the Federal Family Educational Loan program CFDA 84.032L, and not reflected in the Schedule. IDAPP has elected to have a separate lender compliance audit performed in accordance with the U.S. Department of Education's *Compliance Audits (Attestation Engagements) for Lenders and Lender Servicers Participating in the Federal Family Education Loan Program* Audit Guide.

##### b) Basis of Presentation

The Schedule is presented on the cash basis of accounting and presents total federal awards expended for each individual federal program in accordance with the Uniform Guidance. Federal award program titles are reported as presented in the Catalog of Federal Domestic Assistance (CFDA). Federal award program titles not presented in the catalog are identified by Federal agency number followed by (.U01, .U02, etc.).

##### c) Basis of Accounting

The expenditures for each of the federal financial assistance programs are presented in the Schedule on a cash basis. Under the cash basis of accounting, expenditures are reported when paid by the State.

##### d) Matching Costs

Matching costs are the non-federal share of certain program costs and are not included in the Schedule except for the State's share of unemployment insurance (note 4).

**STATE OF ILLINOIS**

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

**e) Relationship to Federal Financial Reports**

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports may not necessarily reconcile with the amounts reported in the accompanying Schedule.

**f) Indirect Cost**

The State does not use the 10% de minimus indirect cost rate discussed in section 200.414 of the Uniform Guidance.

**2) Non-monetary Assistance**

The State reports the following non-cash federal awards on the Schedule:

<b>CFDA number</b>	<b>Program Title</b>	<b>Non-cash Award (in 000's)</b>
10.555	National School Lunch Program commodities	\$ 59,264
10.565	Commodity Supplemental Food Program commodities	5,690
10.569	Emergency Food Assistance Program commodities	24,801
12.401	National Guard Military Operations and Maintenance O&M	22,284
12.404	National Guard Challenge Program O&M	3,722
39.003	Donation of Federal Surplus Personal Program equipment	1,015
66.458	Capitalization Grants for Clean Water State Revolving Funds	11
66.468	Capitalization Grants for Drinking Water State Revolving Funds	11
93.268	Immunization Grants vaccines	<u>88,533</u>
	Total Non-cash awards	\$ <u>205,331</u>

**3) Federal Loan Guarantees**

Federal Family Education Loans Program (FFELP) - Guaranty Agencies (CFDA No. 84.032G) have continuing compliance requirements. The original principal balance of loans guaranteed by the Illinois Student Assistance Commission (ISAC) as well as the outstanding balance of defaulted loans held by ISAC under CFDA No. 84.032G were as follows (in 000's):

	<b>July 1, 2019</b>	<b>June 30, 2020</b>
Original Principal Balance of Loans Guaranteed	\$ 2,456,338	\$ 2,049,109
Outstanding Balance of Defaulted Loans held	\$ <u>307,301</u>	\$ <u>285,545</u>
Total FFELP Guaranteed Loans	\$ <u>2,763,639</u>	\$ <u>2,334,654</u>

## STATE OF ILLINOIS

### Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

#### 4) Unemployment Insurance

The U.S. Department of Labor, in consultation with the OMB, has determined that for the purpose of audits and reporting under the Uniform Guidance, State of Illinois unemployment insurance funds as well as federal funds should be considered federal awards for determining Type A programs. The State receives federal funds for administrative purposes. State unemployment taxes must be deposited to a State account in the Federal Unemployment Trust Fund, used only to pay benefits under the federally approved State law. State unemployment funds as well as federal funds are included on the schedule of federal awards. The following schedule provides a breakdown of the state and federal portions of the total expended amount under CFDA number 17.225.

State Unemployment Insurance Funds – Benefits	\$ 3,807,695
Unemployment Insurance – Benefits	16,451
COVID-19 – Unemployment Insurance – Benefits – Federal Pandemic Unemployment Compensation	5,206,650
COVID-19 – Unemployment Insurance – Benefits – Pandemic Emergency Unemployment Compensation	120,055
COVID-19 – Unemployment Insurance – Benefits – Pandemic Unemployment Assistance	378,420
Unemployment Insurance – Administrative	153,147
COVID-19 – Unemployment Insurance – Administrative – Federal Pandemic Unemployment Compensation	51
COVID-19 – Unemployment Insurance – Administrative – Pandemic Emergency Unemployment Compensation	24
COVID-19 – Unemployment Insurance – Administrative – Pandemic Unemployment Assistance	263
COVID-19 – Unemployment Insurance – Administrative – Emergency	<u>2,040</u>
Total Expenditures	\$ <u>9,684,796</u>

#### 5) Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA # 97.036)

After a Presidential-Declared Disaster, FEMA provides a Public Assistance Grant to reimburse eligible costs associated with repair, replacement, or restoration of disaster damaged facilities. For the year ended June 30, 2020, all approved eligible expenditures included on the Schedule were incurred in the current fiscal year.

#### 6) Donated Personal Protective Equipment (PPE) (unaudited)

During the emergency period of the COVID-19 pandemic, federal agencies did donate PPE purchased with federal assistance funds to various entities for the COVID-19 response. The fair market value of the PPE at the time for receipt from the Strategic National Stockpile was approximately \$726,000 and approximately \$21.2 million from the Federal Emergency Management Agency (FEMA). Per the 2020 Compliance Supplement Addendum, this amount is not included in the Schedule and is not subject to audit. Therefore, this amount is unaudited.



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**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Schedule of Expenditures of Federal Awards Performed in Accordance with *Government Auditing Standards***

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As special assistant auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the schedule of expenditures of federal awards (the Schedule) and related notes to the Schedule of the State of Illinois (the State) for the year ended June 30, 2020, and have issued our report thereon dated August 26, 2021.

Our report on the Schedule included an emphasis of matter paragraph describing the basis for accounting described in note 1(c) of the Schedule.

As described in note 1(a) to the Schedule, the Schedule does not include expenditures of federal awards for those agencies determined to be component units of the State of Illinois for financial statement purposes. Each of these agencies has their own independent audit in compliance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Also as described in note 1(a) to the Schedule, the Schedule does not include federal transactions related to loans held and serviced by the Illinois Designated Account Purchase Program (IDAPP), a division of the Illinois Student Assistance Commission, under the Federal Family Educational Loan program CFDA 84.032L. IDAPP has elected to have a separate lender compliance audit performed in accordance with the U.S. Department of Education's *Compliance Audits (Attestation Engagements) for Lenders and Lender Servicers Participating in the Federal Family Education Loan Program* Audit Guide.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the Schedule, we considered the State's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State'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, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the State's Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the Schedule. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*KPMG LLP*

Chicago, Illinois  
August 26, 2021



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## **Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

### **Report on Compliance for Each Major Federal Program**

We have audited the State of Illinois' (the State) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2020. The State's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The schedule of expenditures of federal awards (the Schedule) and our audit described above does not include expenditures of federal awards for those agencies determined to be component units of the State of Illinois for financial statement purposes. Each of these agencies has their own independent audit in compliance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). The Schedule and our audit described below also do not include federal transactions related to loans held and serviced by the Illinois Designated Account Purchase Program (IDAPP), a division of the Illinois Student Assistance Commission, under the Federal Family Educational Loan program CFDA 84.032L. IDAPP has elected to have a separate lender compliance audit performed in accordance with the U.S. Department of Education's *Compliance Audits (Attestation Engagements) for Lenders and Lender Servicers Participating in the Federal Family Education Loan Program Audit Guide*.

#### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of the State's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our unmodified and modified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the State's compliance.



*Basis for Qualified Opinions on Major Federal Programs*

As described in the accompanying schedule of findings and questioned costs, the State did not comply with requirements described in the specified numbers for the programs and compliance requirements, as follows:

<b>State Administering Agency</b>	<b>Federal Program</b>	<b>Compliance Requirement(s)</b>	<b>Finding Number</b>
IL Department of Healthcare and Family Services	Children's Health Insurance Program	Eligibility	2020-007
IL Department of Healthcare and Family Services	Medicaid Cluster	Eligibility	2020-008
IL Department of Healthcare and Family Services	Children's Health Insurance Program	Eligibility	2020-008
IL Department of Human Services	Temporary Assistance for Needy Families	Eligibility and Special Tests	2020-010
IL Department of Human Services	Temporary Assistance for Needy Families	Eligibility	2020-011
IL Department of Human Services	Medicaid Cluster	Eligibility	2020-011
IL Department of Human Services	SNAP Cluster	Special Tests	2020-011
IL Department of Human Services	Block Grants for Prevention and Treatment of Substance Abuse	Matching, Level of Effort, Earmarking	2020-012
IL Department of Human Services	Temporary Assistance for Needy Families	Subrecipient Monitoring	2020-014
IL Department of Human Services	CCDF Cluster	Subrecipient Monitoring	2020-014
IL Department of Human Services	Social Services Block Grant	Subrecipient Monitoring	2020-014
IL Department of Human Services	Block Grants for Prevention and Treatment of Substance Abuse	Subrecipient Monitoring	2020-014
IL Department of Human Services	Temporary Assistance for Needy Families	Subrecipient Monitoring	2020-015
IL Department of Human Services	CCDF Cluster	Subrecipient Monitoring	2020-015
IL Department of Human Services	Social Services Block Grant	Subrecipient Monitoring	2020-015
IL Department of Human Services	Block Grants for Prevention and Treatment of Substance Abuse	Subrecipient Monitoring	2020-015



<b>State Administering Agency</b>	<b>Federal Program</b>	<b>Compliance Requirement(s)</b>	<b>Finding Number</b>
IL Criminal Justice Information Authority	Crime Victim Assistance	Subrecipient Monitoring	2020-018
IL Department of Employment Security	Employment Service Cluster	Allowable Costs/Cost Principles and Period of Performance	2020-020
IL Department of Employment Security	Employment Service Cluster	Eligibility	2020-021
IL Department of Employment Security	COVID-19-Unemployment Insurance	Eligibility	2020-022
IL Department of Employment Security	Unemployment Insurance	Special Tests	2020-024
IL State Board of Education	Special Education Cluster (IDEA)	Subrecipient Monitoring	2020-029

Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to the identified major federal programs.

*Qualified Opinions on Major Federal Programs*

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions on Major Federal Programs paragraph, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal programs listed in the Basis for Qualified Opinions on Major Federal Programs paragraph for the year ended June 30, 2020.

*Unmodified Opinion on Each of the Other Major Federal Programs*

In our opinion, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

*Other Matters*

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-002, 2020-005, 2020-006, 2020-009, 2020-013, 2020-016, 2020-017, 2020-019, 2020-025, 2020-026, 2020-027, and 2020-028. Our opinion on each major federal program is not modified with respect to these matters.

The State's responses to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The State is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The State's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.



## Report on Internal Control Over Compliance

Management of the State is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the State's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-004, 2020-007, 2020-008, 2020-010 through 2020-015, 2020-018 through 2020-024, and 2020-029 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2020-002, 2020-003, 2020-005, 2020-006, 2020-009, 2020-016, 2020-017, and 2020-025 through 2020-028 to be significant deficiencies.

The State's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The State is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The State's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.

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

*KPMG LLP*

Chicago, Illinois  
August 26, 2021

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### (1) Summary of Auditors' Results

- (a) The type of report issued by the Auditor General, State of Illinois, on whether the basic financial statements were prepared in accordance with generally accepted accounting principles: **Qualified**
- (b)(1) Internal control deficiencies over financial reporting disclosed by the audit of the basic financial statements by the Auditor General, State of Illinois:
- Material weaknesses: **Yes**
  - Significant deficiencies: **None reported**
- (b)(2) Internal control deficiencies over financial reporting disclosed by the audit of the schedule of expenditures of federal awards:
- Material weaknesses: **None reported**
  - Significant deficiencies: **None reported**
- (c)(1) Noncompliance which is material to the basic financial statements: **Yes**
- (c)(2) Noncompliance which is material to the schedule of expenditures of federal awards: **No**
- (d) Internal control deficiencies over major programs disclosed by the audit:
- Material weaknesses: **Yes**
  - Significant deficiencies: **Yes**
- (e) The type of report issued on compliance for major programs:

#### **Qualified:**

SNAP Cluster (10.551/10.561)  
Crime Victim Assistance (16.575)  
Employment Service Cluster (17.207/17.801/17.804)  
Unemployment Insurance (17.225)  
Special Education Cluster (IDEA) (84.027/84.173)  
Temporary Assistance for Needy Families (93.558)  
CCDF Cluster (93.575/93.596)  
Social Services Block Grant (93.667)  
Children's Health Insurance Program (93.767)  
Medicaid Cluster (93.775/93.777/93.778)  
Block Grants for Prevention and Treatment of Substance Abuse (93.959)

#### **Unmodified:**

Child Nutrition Cluster (10.553/10.555/10.556/10.559)  
WIC Special Supplemental Nutritional Program for Women, Infants, and Children (10.557)  
Child and Adult Care Food Program (10.558)  
WIOA Cluster (17.258/17.259/17.278)  
Airport Improvement Program (20.106)  
Highway Planning and Construction Cluster (20.205/20.219)  
Coronavirus Relief Fund (21.019)  
Title I Grants to Local Educational Agencies (84.010)  
Rehabilitation Services – Vocational Rehabilitation Grants to States (84.126)  
Supporting Effective Instruction State Grants (84.367)

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

Immunization Cooperative Agreements (93.268)  
Child Support Enforcement (93.563)  
Low-income Home Energy Assistance (93.568)  
Foster Care – Title IV-E (93.658)  
Adoption Assistance (93.659)  
Disability Insurance/SSI Cluster (96.001)  
Homeland Security Grant Program (97.067)

(f) Audit findings which are required to be reported in accordance with 2 CFR 200.516(a): **Yes**

(g) Major programs:

#### **U.S. Department of Agriculture**

1. SNAP Cluster (10.551/10.561)
2. Child Nutrition Cluster (10.553/10.555/10.556/10.559)
3. WIC Special Supplemental Nutritional Program for Women, Infants, and Children (10.557)
4. Child and Adult Care Food Program (10.558)

#### **U.S. Department of Justice**

5. Crime Victim Assistance (16.575)

#### **U.S. Department of Labor**

6. Employment Service Cluster (17.207/17.801/17.804)
7. Unemployment Insurance (17.225)
8. WIOA Cluster (17.258/17.259/17.278)

#### **U.S. Department of Transportation**

9. Airport Improvement Program (20.106)
10. Highway Planning and Construction Cluster (20.205/20.219)

#### **U.S. Department of Treasury**

11. Coronavirus Relief Fund (21.019)

#### **U.S. Department of Education**

12. Title I Grants to Local Educational Agencies (84.010)
13. Special Education Cluster (IDEA) (84.027/84.173)
14. Rehabilitation Services-Vocational Rehabilitation Grants to States (84.126)
15. Supporting Effective Instruction State Grants (84.367)

#### **U.S. Department of Health and Human Services**

16. Immunization Cooperative Agreements (93.268)
17. Temporary Assistance for Needy Families (93.558)
18. Child Support Enforcement (93.563)
19. Low-Income Home Energy Assistance (93.568)
20. CCDF Cluster (93.575/93.596)
21. Foster Care – Title IV-E (93.658)
22. Adoption Assistance (93.659)
23. Social Services Block Grant (93.667)
24. Children's Health Insurance Program (93.767)

**STATE OF ILLINOIS**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

25. Medicaid Cluster (93.775/93.777/93.778)

26. Block Grants for the Prevention and Treatment of Substance Abuse (93.959)

**Social Security Administration**

27. Disability Insurance/SSI Cluster (96.001)

**U.S. Department of Homeland Security**

28. Homeland Security Grant Program (97.067)

(h) Dollar threshold used to distinguish between Type A and Type B programs: \$57,553,803

(i) The State qualified as a low-risk auditee. **No**

**(2)(a) Findings related to the basic financial statements reported in accordance with *Government Auditing Standards*:**

Findings related to the basic financial statements for the year ended June 30, 2020 were reported in accordance with *Government Auditing Standards* by the Auditor General of the State of Illinois under separate cover.

**(2)(b) Findings related to the schedule of expenditures of federal awards reported in accordance with *Government Auditing Standards*:**

No findings reported.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### (3) Findings and Questioned Costs Relating to Federal Awards:

**State Agency:** Illinois Department of Children and Family Services (DCFS)

**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)

**Program Name:** Adoption Assistance

**CFDA # and Program Expenditures:** 93.659 (\$85,166,000)

**Award Numbers:** Various – see table of award numbers

**Federal Award Year:** Various – see table of award numbers

**Questioned Costs:** None

**Compliance Requirement:** Cash Management

**Finding 2020-001:** Inadequate Process for Reconciling Cash Balances

**Type of Finding:** Material Weakness

#### Condition Found:

DCFS does not have an adequate process to reconcile its cash balances in a timely manner to the records of the Illinois Office of Comptroller (IOC) and to perform an independent review of the cash reconciliations.

DCFS is the state agency responsible for expending program funds and requesting federal cash reimbursement for expenditures under the Foster Care – Title IV-E (Foster Care) and Adoption Assistance programs. The IOC is the official record keeper of the State and is responsible for paying vouchers processed by DCFS and other state agencies. DCFS is required to reconcile its records to the IOC records monthly and resolve any reconciling items on a timely basis.

During our test work over the monthly cash reconciliation process, we noted DCFS prepared monthly reconciliations of its cash balances to IOC's records at one time after the end of the fiscal year ended June 30, 2020, rather than completing them at the end of each month. As such, we noted that the reconciliations were not completed within a reasonable timeframe to mitigate the risk of timely identifying reconciling items.

Additionally, we noted supervisory reviews of the monthly reconciliations were not performed.

#### Criteria or Requirement:

2 CFR 200.303 requires non-Federal entities receiving Federal awards to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure that cash reconciliations are properly performed and reviewed monthly during the year.

#### Cause:

In discussing these conditions with DCFS officials, they stated DCFS continued to struggle with timely filling key vacancies in their General Accounting division, and existing staff were not able to complete the reconciliations in a timely manner.

**STATE OF ILLINOIS**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**Possible Asserted Effect:**

Failure to appropriately reconcile and review cash records in a timely manner may result in inaccurate financial reporting and drawing federal funds more than expenditures incurred.

**Repeat Finding:**

A similar finding was reported in the prior year audit as finding number 2019-033. (Finding Code 2020-001, 2019-033, 2018-036, 2017-034, 2016-034, 2015-030, 2014-027)

**Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

**Recommendation:**

We recommend DCFS implement procedures to ensure cash reconciliations are performed and reviewed in a timely manner throughout the year.

**Views of DCFS Officials:**

DCFS agrees with this recommendation. DCFS has brought in consultants to assist with developing procedures to simplify the reconciliation process to ensure compliance with these important internal control mechanisms. Vacancies have still been an issue well into FY2021 and until these are filled, timely completion of the cash reconciliations will be problematic.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Children and Family Services (DCFS)

**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)

**Program Name:** Adoption Assistance

**CFDA # and Program Expenditures:** 93.659 (\$85,166,000)

**Award Numbers:** Various – see table of award numbers

**Federal Award Year:** Various – see table of award numbers

**Questioned Costs:** \$1,720

**Compliance Requirement:** Eligibility

**Finding 2020-002:** Missing Documentation in Eligibility Files

**Type of Finding:** Significant Deficiency and Non-Compliance

**Condition Found:**

DCFS could not locate case file documentation supporting eligibility determinations for beneficiaries of the Adoption Assistance program.

The Adoption Assistance program provides funds to states to support the payment of subsidies and non-recurring expenses on behalf of eligible children with special needs. To be eligible to receive benefits under the adoption assistance program, certain judicial determinations must be made, and other eligibility criteria must be evaluated. Evidence supporting eligibility determinations were performed is required to be maintained in the beneficiary case record.

During our test work of 50 Adoption Assistance beneficiary payments (totaling \$27,971), we noted DCFS could not locate the Sex Offender Registry background checks for at least one adoptive parent or member of the household over the age of 13 for two adoption assistance payments (totaling \$1,720). DCFS claimed reimbursement for adoption assistance benefits made on behalf of these children totaling \$10,996 during the year ended June 30, 2020. DCFS has not evaluated whether additional errors exist or quantified the impact of these errors on the population.

In evaluating the controls in place relative to the background check compliance requirement, we noted DCFS has an eligibility form that is completed and approved by a supervisor; however, the form does not include verification the background checks have been performed. In addition, DCFS case record documentation is maintained in several locations, including with third party contractors, and can be difficult for DCFS to locate.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Criteria or Requirement:**

According to 42 USC 671(a)(20), in order for the State to be eligible for payments, it shall have a plan approved by the Secretary that provides procedures for criminal records checks, including fingerprint-based checks of national crime information databases for any prospective adoptive parent. Additionally, the State plan must provide procedures such that the State shall check the child abuse and neglect registry maintained by the State for any prospective adoptive parent and on any other adult living in the home of such prospective parent.

According to 89 Ill. Adm. Code Chapter III, Subchapter d, Part 385.30, the following people are subject to background checks: 1) adult members of the household age 18 and older shall be fingerprinted to be screened for prior criminal convictions by submitting fingerprints to the Federal Bureau of Investigation (FBI), and 2) all members of the household age 13 and over shall be screened for a history of child abuse or neglect (CANTS) and for inclusion in the Illinois Sex Offender Registry (SOR).

2 CFR 200.403 establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments. To be allowable, under federal awards, costs must meet certain general criteria. Those criteria, among other things, require that the expenditures must be necessary, reasonable, and supported by adequate documentation.

Additionally, 2 CFR 200.303 requires non-Federal entities receiving Federal awards to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure all relevant documentation to support the eligibility of children and background checks for prospective adoptive parents and applicable members of the household are properly obtained and maintained within case records.

#### **Cause:**

In discussing these conditions with DCFS officials, they stated the subsidies in question were determined prior to 2013. At that time, DCFS did not have the resources to ensure all supporting documentation was included in the adoption subsidy files.

#### **Possible Asserted Effect:**

Failure to maintain case file documentation, including relevant documentation to support the evidence of required background checks for prospective adoptive parents and applicable members of the household, could result in payments to ineligible beneficiaries, which are unallowable costs.

#### **Repeat Finding:**

A similar finding was reported in prior year audit as finding number 2019-030. (Finding Code 2020-002, 2019-030, 2018-032, 2017-027, 2016-030)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Recommendation:**

We recommend DCFS review its eligibility checklist to include verification of background checks or add an additional control that will ensure background checks are obtained prior to final approval for placement of a child with any prospective adoptive or foster parents.

#### **Views of DCFS Officials:**

DCFS agrees with this finding. In 2013, DCFS created a Subsidy Review process that verifies all claiming requirements prior to adoption finalization. This process includes keeping copies of all required documentation in the EDU file and this process is still in place. DCFS is looking forward to a Comprehensive Child Welfare Information System (CCWIS) computer system that will be able to maintain documentation of adoption cases more efficiently than current paper files.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Children and Family Services (DCFS)

**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)

**Program Name:** Adoption Assistance

**CFDA # and Program Expenditures:** 93.659 (\$85,166,000)

**Award Numbers:** Various – see table of award numbers

**Federal Award Year:** Various – see table of award numbers

**Questioned Costs:** None

**Compliance Requirement:** Eligibility

**Finding 2020-003:** *Inadequate Procedures to Reasonably Ensure Children are in the Continued Care of Their Adoptive Parent*

**Type of Finding:** Significant Deficiency

**Condition Found:**

DCFS does not have adequate procedures to reasonably ensure adoptive children for which adoption assistance subsidies are paid are in the continued care of their adoptive parent(s).

The Adoption Assistance program provides funds to states to support the payment of subsidies and non-recurring expenses on behalf of eligible children with special needs. A child's eligibility for the program is determined initially at the time of adoption proceedings. However, it is the State's responsibility to establish a process to ensure that children on behalf of whom the State is making subsidy payments are in the continued care of their adoptive parent(s).

According to 42 USC 673(a)(4), payments are discontinued when the state determines that the adoptive parents are no longer legally responsible for the support of the child. Parents must keep the state agency informed of circumstances that would make the child ineligible for adoption assistance payments or eligible for assistance payments in a different amount. To meet this requirement, prior to fiscal year 2019, the State sent a recertification form to the adoptive parent(s) of a child on behalf of whom the parent is receiving adoption subsidy payments on an annual basis. The form contains a series of questions concerning the parents' legal and financial responsibility of the child. The adoptive parent(s) were required to answer the questions, sign, and return the form to DCFS to demonstrate their continued legal and financial responsibility for the adopted child. Effective January 29, 2018, the State amended DCFS's policy guide to eliminate the requirement for the adoptive parent to complete, sign, and return the recertification form. During fiscal year 2020, DCFS did not implement a control to address continued care. Adoptive parents are told they should inform DCFS of any change in the child's care but DCFS does not have a process or control to validate children remain in the care of their adoptive parents.

Adoption subsidies paid during the year ended June 30, 2020 totaled \$64,415,000.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Criteria or Requirement:**

2 CFR 200.303 requires non-Federal entities receiving Federal awards to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include establishing procedures to monitor whether the adoptive child is in the continued care of the adoptive parent.

#### **Cause:**

In discussing these conditions with DCFS officials, they stated that DCFS officials misinterpreted the federal guidelines as well as the prior auditor recommendation, which led to an incomplete solution to the control issues identified by the auditors.

#### **Possible Asserted Effect:**

Failure to establish adequate procedures to identify changes in care of adoptive children could result in unallowable costs.

#### **Repeat Finding:**

A similar finding was reported in prior year audit as finding number 2019-029. (Finding Code 2020-003, 2019-029, 2018-031)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend DCFS implement a process and controls to ensure payments made to adoptive parents are only on behalf of eligible children in the continued care of their adoptive parents.

#### **Views of DCFS Officials:**

DCFS agrees with the recommendation. DCFS has amended its recertification form to clarify responsibilities and remedies of both the adoptive parent and DCFS. DCFS will also review its current systems and processes including controls to discover or develop other mechanisms to ensure that children on behalf of whom the State is making subsidy payments are in the continued care of their adoptive parent(s).

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Children and Family Services (DCFS)

**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)

**Program Name:** Foster Care – Title IV-E

**CFDA # and Program Expenditures:** 93.658 (\$140,386,000)

**Award Numbers:** Various – see table of award numbers

**Federal Award Year:** Various – see table of award numbers

**Questioned Costs:** None

**Compliance Requirement:** Eligibility

**Finding 2020-004:** Inadequate Controls to Maintain Adequate Provider Licensing Files

**Type of Finding:** Material Weakness

#### **Condition Found:**

DCFS has not established adequate controls to ensure documentation of background checks is completed in a consistent manner.

The objective of the Foster Care program administered by DCFS is to provide safe, appropriate, substitute care for children in Illinois in need of temporary placement and care outside their homes. DCFS, as the State foster care licensing authority, is required to ensure foster family homes or child care service providers are fully licensed, which includes ensuring the required background checks have been performed and the safety considerations with respect to child-care institution staff have been addressed. DCFS utilizes the Authorization for Background Check form 718-A (Form 718-A) to obtain employee authorization as well as control documentation for the completion of required background checks.

During our test work of 50 Foster Care maintenance assistance payments (totaling \$79,677), we reviewed the associated provider licensing files for compliance with licensing requirements and for the allowability of related benefits paid. We noted for 24 foster family homes tested (with payments of \$14,747) that background check clearance dates were noted as completed prior to the service date; however, documentation of the review control to ensure background checks were obtained prior to service was not consistent. Licensing representatives did not always use the completion date as their final review date such that there was a gap in evidence of review date and background check clearance date. The range of date differences was 1 to 274 days, indicating the evidence of sign-off was an initiation date versus a completion date.

Foster care maintenance payments during year the ended June 30, 2020 totaled \$63,942,000.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Criteria or Requirement:**

2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include procedures to ensure the foster care provider licensing files are complete, including documentation that required criminal records checks and child abuse and neglect registry checks have been performed for all prospective foster parents, child-care institution applicants, employees, volunteers, or non-licensed service providers.

#### **Cause:**

In discussing these conditions with DCFS officials, they stated that inconsistencies amongst staff members in carrying out the procedures for documenting foster home background check clearances caused the date variances described above.

#### **Possible Asserted Effect:**

Failure to maintain complete provider licensing files for foster family homes and child-care institutions, including documentation that required criminal records checks and child abuse and neglect registry checks have been performed for all prospective foster parents, child-care institution applicants, employees, volunteers, or non-licensed service providers, could result in payments being made to ineligible service providers, which are unallowable costs.

#### **Repeat Finding:**

A similar finding was reported in prior year audit as finding number 2019-028. (Finding Code 2020-004, 2019-028, 2018-029, 2017-025, 2016-028)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend DCFS evaluate its control procedures relative to provider background checks and implement additional changes as considered necessary to ensure evidence of completion of the background check (i.e. the completion date) is consistently documented and supported.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Views of DCFS Officials:**

DCFS agrees with findings related to controls. It should be noted that while there were variances in date of data entry, documentation was provided that reflects background checks are on file for the foster care files reviewed, and thus causing no compliance issues during this reporting period. DCFS Licensing agree only to record straight background check clearance dates on the CFS 718-A (authorization form) and will be consistent when recording dates from the various background check data sources used to document the background check clearances. Also, the Background Check Manual is being updated to reflect the modified practices of the background check unit when accurately recording the date of the data entry. For Foster home license applications, the completion of the CFS 718-A should continue to be completed at the initial and renewal period that reflect exact date of updates in background check clearances. For any reason, if clearance occur outside the initial and renewal period, the updates will be made on the BC04/05/09 screens with the supporting documentation used to update the clearances be kept in the licensing background unit file.

**STATE OF ILLINOIS**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Children and Family Services (DCFS)

**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)

**Program Name:** Foster Care – Title IV-E  
Adoption Assistance

**CFDA # and Program Expenditures:** 93.658 (\$140,386,000)  
93.659 (\$85,166,000)

**Award Numbers:** Various – see table of award numbers

**Federal Award Year:** Various – see table of award numbers

**Questioned Costs:** None

**Compliance Requirement:** Reporting

**Finding 2020-005:** Inaccurate Reporting of Adjustments on the Title IV-E Claiming Report

**Type of Finding:** Significant Deficiency and Non-Compliance

**Condition Found:**

DCFS did not accurately report adjustments on the Title IV-E claiming report as required in Part 2 of the report.

DCFS is required to submit quarterly financial reports (CB-496) for both the Foster Care and Adoption Assistance programs, which include information such as current quarter claims and adjustments to amounts reported in previous quarterly claims. DCFS is required to maintain complete and accurate records to support amounts reported on its quarterly claiming reports. Increasing and decreasing adjustments to amounts previously claimed are required to be reported on a gross basis and supported by eligibility determinations or documentation that provides the basis for the adjustment.

During the year ended June 30, 2020, DCFS identified and reported 112 increasing and 63 decreasing adjustments to the Foster Care program. DCFS also identified and reported 42 increasing and 11 decreasing adjustments to the Adoption Assistance program. The increasing and decreasing amounts are calculated based on a batch total and are therefore presented as an increase or decrease by batch, versus grossing up all the transactions in the batch. The amounts reported are understated as they are reported net. Increasing and decreasing adjustments reported on quarterly claims pertaining to the year ended June 30, 2020 totaled as follows:

Quarter Ended	Foster Care		Adoption Assistance	
	Increasing	Decreasing	Increasing	Decreasing
September 30, 2019	\$11,696,812	\$718,401	\$387,428	\$372,775
December 31, 2019	1,175,462	1,071,966	1,149,984	7,497
March 31, 2020	48,859,032	47,181,413	588,807	0
June 30, 2020	1,241,129	642,481	153,962	2,787

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

DCFS has a review control over the Title IV-E claiming report which was found to be operating effectively. The inability of the system to track the adjustments at a transaction level as an increase or decrease for reporting purposes is a limitation.

DCFS is unable to quantify the impact of this reporting error due to system limitations.

#### **Criteria or Requirement:**

According to 2 CFR 200.328, the Federal awarding agency may solicit only the standard, OMB-approved government-wide data elements for collection of financial information. This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting. (Note to the reader, 2 CFR 200.328 references were renumbered November 2020 and were previously cited as 2 CFR 200.327.)

Per the reporting instructions, a net adjustment reported in Part 1 or Part 3 of the Form CB-496 will be comprised of one or more increasing or decreasing components. Each individual adjustment should be shown and reported separately by increasing and decreasing components, if applicable. (This requirement remains in effect in instances where the combination of increasing and decreasing adjustments produced a net result of zero dollars for the Federal share of prior quarter adjustments in Part 1 or Part 3.) The appropriate funding category and applicable period must also be identified for each adjustment reported in Part 2. An identification or explanation for each adjustment must also be provided.

Additionally, 2 CFR 200.303 requires non-Federal entities receiving Federal awards to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include establishing procedures to ensure all adjustments to prior year costs are properly determined and supported.

#### **Cause:**

In discussing these conditions with DCFS officials, they stated system limitations prevented DCFS from reporting adjustments on a gross basis as required by federal guidelines.

#### **Possible Asserted Effect:**

Failure to properly report adjustments on a gross basis inhibits the ability of USDHHS to monitor the Foster Care and Adoption Assistance programs.

#### **Repeat Finding:**

A similar finding was not reported in prior year audit. (Finding Code 2020-005)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend DCFS review its current process for reporting adjustments and implement procedures to ensure the adjustments claimed for the Foster Care and Adoption Assistance programs are properly reported on a gross basis.

**STATE OF ILLINOIS**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**Views of DCFS Officials:**

DCFS agrees with the auditor recommendations. DCFS has implemented system changes beginning the with the federal claim for the quarter ending September 30, 2020.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Healthcare and Family Services (DHFS)

**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)

**Program Name:** Child Support Enforcement

**CFDA # and Program Expenditures:** 93.563 (\$114,106,000)

**Award Numbers:** Various – See schedule of award numbers

**Federal Award Year:** Various – See schedule of award numbers

**Questioned Costs:** None

**Compliance Requirement:** Subrecipient Monitoring

**Finding 2020-006:** Failure to Notify Subrecipients of Federal Funding

**Type of Finding:** Significant Deficiency and Non-Compliance

#### **Condition Found:**

DHFS did not communicate required federal program information to subrecipients at the time of disbursement for the Child Support Enforcement (CSE) program.

During our testing of 25 subrecipients of the CSE program, we noted DHFS did not communicate the assistance listing number (or Catalog of Federal Domestic Assistance (CFDA) number) at the time of disbursement to any of the subrecipients tested. Upon further review, DHFS did not provide any notification of CFDA number at time of disbursement to any of its subrecipients during fiscal year 2020.

Amounts passed through to subrecipients under the CSE program totaled approximately \$10,281,000 during the year ended June 30, 2020.

#### **Criteria or Requirement:**

2 CFR 200.332(a)(1)(xii) requires all pass-through entities to identify the dollar amount made available under each Federal award and the CFDA number at the time of disbursement. (Note to the reader, 2 CFR 200.332X references were renumbered November 2020 and were previously cited as 2 CFR 200.331X.)

Additionally, 2 CFR 200.303 requires non-Federal entities receiving Federal awards to establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include implementing risk assessment procedures required by the Uniform Guidance and ensuring monitoring procedures are performed and documented in accordance with established policies and procedures.

#### **Cause:**

In discussing these conditions with DHFS officials, they stated they were not aware that the CFDA number needed to be included on the check stubs for each disbursement since it was included in the related intergovernmental agreements.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Possible Asserted Effect:**

Failure to communicate CFDA numbers at the time of disbursement can hamper the subrecipients ability to correctly prepare their schedule of expenditures of federal awards.

#### **Repeat Finding:**

A similar finding was not reported in the prior year audit. (Finding Code 2020-006)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend DHFS add to their warrant description the CFDA number for each disbursement made to subrecipients.

#### **Views of DHFS Officials:**

DHFS accepts the recommendation. The CFDA number has been added to the warrant description and will be printed on each disbursement made to subrecipients.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Healthcare and Family Services (DHFS)

**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)

**Program Name:** Children's Health Insurance Program

**CFDA # and Program Expenditures:** 93.767 (\$475,050,000)

**Award Numbers:** Various – See schedule of award numbers

**Federal Award Year:** Various – See schedule of award numbers

**Questioned Costs:** Cannot be determined

**Compliance Requirement:** Eligibility

**Finding 2020-007:** Failure to Perform Eligibility Redeterminations within Prescribed Timeframes

**Type of Finding:** Material Weakness and Material Non-Compliance

#### **Condition Found:**

DHFS did not perform eligibility redeterminations for individuals receiving benefits under the Children's Health Insurance Program (CHIP) in accordance with timeframes required by the State Plan.

The State Plan for CHIP requires the State to perform eligibility redeterminations on an annual basis. During our testing of 80 case files (with payments sampled of \$127,732), evidence was not provided to substantiate redeterminations were performed within required time frames for five CHIP cases (with payments sampled of \$6,548). Delays in performing redeterminations ranged from 30 to 362 days greater than one year. Total medical payments made on behalf of these five beneficiaries during the year ended June 30, 2020, were \$34,778 for the CHIP program.

Payments made to beneficiaries of the CHIP program totaled approximately \$461,117,000 during the year ended June 30, 2020.

#### **Criteria or Requirement:**

In accordance with 42 CFR 435.10 and the OMB Compliance Supplement, dated August 2020, IDHS is required to determine client eligibility in accordance with eligibility requirements defined in the approved State Plan for CHIP. The current State Plan and 42 CFR 457.343 require redeterminations of eligibility for all recipients on an annual basis.

Additionally, 2 CFR 200.303 requires non-Federal entities receiving Federal awards to establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include establishing procedures to ensure eligibility redeterminations are performed in accordance with program requirements.

#### **Cause:**

In discussing these conditions with DHFS officials, they stated there has been a lack of sufficient eligibility staff for multiple years which created a backlog and contributed to the State's inability to complete redeterminations timely.

**STATE OF ILLINOIS**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**Possible Asserted Effect:**

Failure to properly perform eligibility redetermination procedures in accordance with the State Plans may result in federal funds being awarded to ineligible beneficiaries, which are unallowable costs.

**Repeat Finding:**

A similar finding was not reported in the prior year audit. (Finding Code 2020-007)

**Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

**Recommendation:**

We recommend DHFS review its current process for performing eligibility redeterminations and consider changes necessary to ensure all eligibility decisions are performed within the timeframes prescribed within the State Plan. More specifically, DHFS needs to determine how to address what should occur when a returned redetermination is not completed by the time another would normally be sent.

**Views of DHFS Officials:**

DHFS accepts the recommendation.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Healthcare and Family Services (DHFS)

**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)

**Program Name:** Children's Health Insurance Program  
Medicaid Cluster

**CFDA # and Program Expenditures:** 93.767 (\$475,050,000)  
93.775/93.777/93.778 (\$13,891,000,000)

**Award Numbers:** Various – See schedule of award numbers

**Federal Award Year:** Various – See schedule of award numbers

**Questioned Costs:** \$561,459

**Compliance Requirement:** Eligibility

**Finding 2020-008:** Inadequate Procedures to Determine Beneficiary Eligibility

**Type of Finding:** Material Weakness and Material Non-Compliance

#### **Condition Found:**

DHFS does not have adequate procedures to determine eligibility for beneficiaries of the Children's Health Insurance Program (CHIP) and Medicaid Cluster programs.

DHFS permits certain beneficiaries of the CHIP and Medicaid Cluster programs to begin receiving medical services based upon a presumption of eligibility. The individuals for which CHIP and Medicaid CHIP presumptive eligibility is permitted are usually children and pregnant women. The initial CHIP and Medicaid CHIP presumptive eligibility period generally begins on the date of the decision and ends the last day of the following month but can also be extended 90 days starting with the date of application for on-going benefits.

DHFS identified a system defect in September 2019 in which the eligibility status of certain CHIP and Medicaid CHIP presumptive eligibility cases was not being updated at the end of the initial presumptive eligibility period. Beginning in February 2020, DHFS created a monthly process to identify and close presumptive eligibility cases that did not properly close at the end of the presumptive eligibility period. During our testing of medical payments made on behalf of CHIP and Medicaid CHIP beneficiaries, we noted three of 40 CHIP case files (with medical payments sampled of \$227) and two of 40 Medicaid CHIP case files (with medical payments sampled of \$3,746) for which the initial presumptive eligibility period was not discontinued on the last day of the month following the initial application. All five cases were prior to February 2020. Total medical payments made on behalf of the three CHIP beneficiaries and two Medicaid CHIP beneficiaries during the year ended June 30, 2020 were \$991 for the CHIP program and \$5,072 for the Medicaid Cluster program, respectively. Total CHIP beneficiary payments and Medicaid Cluster beneficiary payments for the year ended June 30, 2020, were approximately \$461,117,000 and \$13,669,891,000, respectively.

DHFS was able to quantify that 6,079 cases prior to February 2020 were not closed at the end of the CHIP and Medicaid CHIP presumptive eligibility period which resulted in \$561,459 in unallowable medical payments made on behalf of these beneficiaries being claimed during the year ended June 30, 2020.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Criteria or Requirement:**

In accordance with 42 CFR 435.10 and the OMB Compliance Supplement, dated August 2020, DHFS is required to determine client eligibility in accordance with eligibility requirements defined in the approved State Plan. The current State Plan permits presumptive eligibility determinations for program beneficiaries in accordance with 42 CFR 435.1102(b).

Additionally, 2 CFR 200.303 requires non-Federal entities receiving Federal awards to establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include maintaining adequate controls over presumptive eligibility cutoff.

#### **Cause:**

In discussing these conditions with DHFS officials, they stated some denials were not communicated between the Integrated Eligibility System (IES) and Medicaid Management Information System (MMIS).

#### **Possible Asserted Effect:**

Failure to identify and close presumptive eligibility cases at the end of the presumptive eligibility period may result in federal funds being awarded to ineligible beneficiaries, which are unallowable costs.

#### **Repeat Finding:**

A similar finding was reported in the prior year audit as finding number 2019-019. (Finding Code 2020-008, 2019-019)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

As noted above, DHFS has corrected the situation noted; therefore, DHFS should continue with their monthly process to identify and close presumptive eligibility cases.

#### **Views of DHFS Officials:**

DHFS accepts the recommendation. DHFS stated it is working to rectify the system defect regarding the communication of presumptive eligibility denials between the two systems so the monthly process can be discontinued.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Healthcare and Family Services (DHFS)  
**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)  
**Program Name:** Medicaid Cluster  
**CFDA # and Program Expenditures:** 93.775/93.777/93.778 (\$13,891,000,000)  
**Award Numbers:** Various – See schedule of award numbers  
**Federal Award Year:** Various – See schedule of award numbers  
**Questioned Costs:** Cannot be determined  
**Compliance Requirement:** Special Tests and Provisions – Medicaid National Correct Coding Initiative  
**Finding 2020-009:** Failure to Download and Implement Medicaid NCCI Edit Files  
**Type of Finding:** Significant Deficiency and Non-Compliance  
**Condition Found:**

DHFS did not download quarterly Medicaid National Correct Coding Initiative (NCCI) edit files from the Medicaid Integrity Institute and implement the edit files in their Medicaid Management Information System (MMIS) for the Medicaid Cluster program.

DHFS currently manages and operates the MMIS system to support claims processing for the Illinois Medicaid Enterprise. During our testwork, we noted DHFS's MMIS does not have the capability to download Medicaid NCCI edit files from the Medicaid Integrity Institute. DHFS has added edits to MMIS to address the six Medicaid NCCI methodologies for fee for service claims. DHFS is expected to transition using the Illinois Medicaid Program Advanced Cloud Technology (IMPACT) system for Medicaid claims processing, which will provide DHFS the capability to download Medicaid NCCI edit files from the Medicaid Integrity Institute.

#### **Criteria or Requirement:**

Section 6507 of the Affordable Care Act (ACA) requires States to use compatible NCCI methodologies in paying applicable Medicaid claims. The Center for Medicaid and CHIP Services (CMCS) requires that the Medicaid Enterprise Systems (MES), formerly known as the MMIS, in each State completely and correctly implement and use in paying applicable Medicaid claims the Medicaid NCCI methodologies. Specifically, according to the NCCI Medicaid Technical Guidance Manual Section 2, States are required to implement, and use in paying all applicable Medicaid claims, the new quarterly Medicaid NCCI edit files for States on the first day of every calendar quarter corresponding to the effective date of the files.

Additionally, 2 CFR 200.303 requires non-Federal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include implementing procedures required by the Medicaid NCCI to download and implement edit files in DHFS's MMIS.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Cause:**

In discussing these conditions with DHFS officials, they stated the current MMIS system does not have the functionality built in to incorporate the NCCI edit files and enforce the rules.

#### **Possible Asserted Effect:**

Failure to download and implement quarterly edit files from the Medicaid Integrity Institute can result in coding errors and improper payments for procedures and services.

#### **Repeat Finding:**

A similar finding was not reported in the prior year audit. (Finding Code 2020-009)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

As noted above, DHFS is expected to transition to the IMPACT system for Medicaid claims processing; therefore, DHFS should implement policies and procedures to ensure the IMPACT system has the capability to download Medicaid NCCI edit files from the Medicaid Integrity Institute.

#### **Views of DHFS Officials:**

DHFS accepts the recommendation. While DHFS has implemented several custom edits to enforce the NCCI rules and refers to the NCCI code on code rules for proper editing along with the enforcement of medically unlikely edits, the functionality is not programmed against the quarterly files. DHFS is in the process of implementing the new IMPACT system which has all functionality built in to take the quarterly files from RISSNET and upload them into the MMIS and use them for editing.

**STATE OF ILLINOIS**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

- State Agency:** Illinois Department of Human Services (IDHS)
- Federal Agency:** U.S. Department of Health and Human Services (USDHHS)
- Program Name:** Temporary Assistance for Needy Families
- CFDA # and Program Expenditures:** 93.558 (\$501,507,000)
- Award Numbers:** Various – see table of award numbers
- Federal Award Year:** Various – see table of award numbers
- Questioned Costs:** Cannot be determined
- Compliance Requirement:** Eligibility, Special Tests and Provisions – Child Support Non-Cooperation, and Special Tests and Provisions – Penalty for Refusal to Work
- Finding 2020-010:** Missing Documentation in Beneficiary Files
- Type of Finding:** Material Weakness and Material Non-Compliance
- Condition Found:**

IDHS could not locate case file documentation supporting eligibility determinations and special test requirements for beneficiaries of the Temporary Assistance for Needy Families (TANF) program.

Details of the beneficiary payments selected in our samples for the TANF program are as follows:

<b>Case Type</b>	<b>Number of Cases Tested</b>	<b>Total Amount of Payments for Cases Tested</b>	<b>Total Amount of Payments Made on Behalf of Beneficiaries for Fiscal Year 2020</b>	<b>Total Fiscal Year 2020 Program Expenditures</b>
TANF Cluster	50	\$23,644	\$43,659,000	\$501,507,000

During our test work, we selected eligibility files to review for compliance with eligibility requirements of the related benefits provided. We noted in 4 of 50 TANF cases (with payments sampled of \$2,241), IDHS could not locate the Responsibility Service Plan (RSP) completed and signed by the beneficiary covering the payment date. TANF cash assistance paid to these beneficiaries during the year ended June 30, 2020 totaled \$21,134.

Further we noted that the control to ensure the RSPs are collected (i.e. completeness) in accordance with policy is not effectively designed.

During our test work, we also selected Child Support Non-Cooperation (Non-Cooperation) and Penalty for Refusal to Work (Refusal to Work) files to review of compliance with the respective special tests and provisions. We noted the following exceptions:

- In 8 of 40 TANF Non-Cooperation special test cases, IDHS could not provide evidence that the beneficiary was sanctioned after the beneficiary’s failure to cooperate. TANF cash assistance paid to these beneficiaries during the year ended June 30, 2020 totaled \$45,451. In addition, in 1 of 40 TANF Non-Cooperation special test cases, IDHS did not take timely action on the case.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

- In 1 of 40 TANF Penalty for Refusal to Work special test cases, IDHS could not provide evidence of the RSP or subsequent evidence of sanction. TANF Cluster cash assistance paid to this beneficiary during the year ended June 30, 2020 totaled \$4,454.

In addition, we noted controls for ensuring completeness of the data needed to access Non-Cooperation and Refusal to Work are not effectively designed. Also, the application of a sanction or documentation of why the sanction is not applicable is not consistently applied.

#### **Criteria or Requirement:**

The TANF State Plan amended April 1, 2020, Section L Personal Responsibility, requires all adults and minor parents applying for or receiving assistance with be required to sign a Responsibility and Services Plan (RSP) and follow through with its provisions.

For non-cooperation, if an individual is not cooperating with the state establishing paternity or enforcing a support order with respect to a child of the individual, the state much apply a sanction or deny assistance. (45 CFR sections 264.30). For refusal to work, if an individual in a family receiving assistance refuses to work, subject to any good cause or other exemptions, a sanction shall be applied. (45 CFR 261.14)

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include maintaining adequate controls over beneficiary eligibility case files to ensure all required documentation is received and appropriate sanctions applied.

#### **Cause:**

IDHS management stated the exceptions noted were due to oversight to secure or upload supporting documentation adequately and to follow up on notices of non-cooperation.

#### **Possible Asserted Effect:**

Failure to maintain RSPs may result in inadequate documentation of a recipient's eligibility and in federal funds being awarded to ineligible beneficiaries. Inability to demonstrate if a sanction has been appropriately applied also may result in federal funds being awarded to an ineligible beneficiary.

#### **Repeat Finding:**

A similar finding was reported in prior year audit as finding number 2019-005. (Finding Code 2020-010, 2019-005, 2018-004, 2017-004, 2016-004, 2015-004, 2014-004, 2013-004, 12-04, 11-04, 10-06, 09-06, 08-08, 07-19, 06-16, 05-30, 04-18, 03-20, 02-26, 01-15).

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IDHS review its current process for collecting and maintaining RSPs and documentation to support the appropriate application of sanctions.

**STATE OF ILLINOIS**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**Views of IDHS Officials:**

IDHS accepts the recommendation. The current process for creating and maintaining Responsibility & Services Plans and creating and documenting sanctions will be reviewed and revised to ensure that process steps are addressing all needed areas for accurate documentation.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Human Services (IDHS)

**Federal Agency:** U.S. Department of Agriculture (USDA)  
U.S. Department of Health and Human Services (USDHHS)

**Program Name:** SNAP Cluster  
Temporary Assistance for Needy Families Cluster  
Medicaid Cluster

**CFDA # and Program Expenditures:** 10.551/10.561 (\$3,383,971,000)  
93.558 (\$501,507,000)  
93.775/93.777/93.778 (\$379,890,000)

**Award Numbers:** Various – see table of award numbers

**Federal Award Year:** Various – see table of award numbers

**Questioned Costs:** Cannot be determined

**Compliance Requirement:** Eligibility and Special Tests and Provisions – ADP System for SNAP

**Finding 2020-011:** *Failure to Perform Eligibility Decisions within Prescribed Timeframes*

**Type of Finding:** Material Weakness and Material Non-Compliance

**Condition Found:**

IDHS did not perform eligibility decisions for individuals receiving benefits under the Temporary Assistance for Needy Families (TANF) Cluster, SNAP Cluster (SNAP), and Medicaid Cluster programs in accordance with timeframes required by the respective State Plans.

Each of the State Plans for the TANF Cluster, SNAP, and Medicaid Cluster programs require the State to perform eligibility redeterminations on an annual basis. For Medicaid, the determination may not exceed 90 days for disability basis and 45 days for all other reasons. During our test work over eligibility, we noted the State was late (overdue) in performing initial and redetermination eligibility decisions for individuals receiving benefits under the TANF Cluster, SNAP, and Medicaid Cluster programs.

Evidence was not provided to document redeterminations were performed within required time frames for 4 TANF/SNAP cluster cases, and 6 Medicaid Cluster cases (with payments sampled of \$2,193 and \$3,006 respectively). Additionally, there were 2 Medicaid cases not meeting the initial determination time frames (with payments sampled of \$4,011).

**STATE OF ILLINOIS**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

Details of the beneficiary payments selected in our samples for the TANF/SNAP Cluster, and Medicaid Cluster programs are as follows. The Medicaid Cluster amounts include both IDHS and DHFS as beneficiary eligibility is primarily the responsibility of IDHS while the beneficiary expenses are recorded in both agencies depending on the type of claim.

<b>Major Program</b>	<b>Number of Cases Sampled</b>	<b>Total Amount of Payments for Cases Sampled</b>	<b>Total Beneficiary Payments in Fiscal Year 2020</b>	<b>Total Fiscal Year 2020 Program Expenditures</b>
TANF/SNAP Cluster	50	\$26,408	\$3,283,004,000	\$3,885,478,000
Medicaid Cluster	100	201,498	10,844,109,000	14,270,890,000

IDHS does not have adequate resources to perform and document initial eligibility or redeterminations within the required timeframes.

**Criteria or Requirement:**

Per 42 CFR 435.916 (Medicaid) and 42 USC 602(a)(1)(B)(iii) (the State Plan for TANF/SNAP), IDHS is required to determine client eligibility in accordance with eligibility requirements defined in the approved State Plans. The current State Plans require redeterminations of eligibility for all recipients on an annual basis. States are also directed under 42 CFR 435.912, to determine Medicaid eligibility promptly and without undue delay. For individuals applying for Medicaid based on disability, the determination may not exceed 90 days. For all other applicants, the determination may not exceed 45 days.

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include establishing procedures to ensure eligibility decisions are performed in accordance with program requirements.

**Cause:**

IDHS management stated factors contributing to untimely determination processing include the complexity of the work involved and manual processes that are a required component of case processing.

**Possible Asserted Effect:**

Failure to properly perform eligibility decisions in accordance with the State Plans may result in federal funds being awarded to ineligible beneficiaries, which are unallowable costs.

**Repeat Finding:**

A similar finding was reported in the prior year audit as finding number 2019-006. (Finding Code 2020-011, 2019-006, 2018-005, 2017-005, 2016-005, 2015-005, 2014-002, 2013-002, 12-02, 11-02, 10-03, 09-03, 08-03, 07-10, 06-03, 05-18, 04-15, 03-17)

**Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Recommendation:**

We recommend IDHS review its current process for performing eligibility decisions and consider changes necessary to ensure all initial and redetermination decisions are performed within the timeframes prescribed within the State Plans for each affected program.

#### **Views of IDHS Officials:**

IDHS accepts the recommendation. To ensure case processing within required timeframes, statewide processing management will be utilized to review and assign outstanding requests coming due to certification. IDHS has worked to improve its processing timeliness by adding two statewide processing centers and increasing caseworker headcount and is in the process of adding a third statewide processing center.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Human Services (IDHS)  
**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)  
**Program Name:** Block Grants for Prevention and Treatment of Substance Abuse  
**CFDA # and Program Expenditures:** 93.959 (\$62,404,000)  
**Award Numbers:** Various – see table of award numbers  
**Federal Award Year:** Various – see table of award numbers  
**Questioned Costs:** \$12,400,000  
**Compliance Requirement:** Matching, Level of Effort, Earmarking  
**Finding 2020-012:** Failure to Provide Adequate Documentation for the SAPT MOE Requirement  
**Type of Finding:** Material Weakness and Material Non-Compliance  
**Condition Found:**

IDHS was unable to provide adequate documentation to substantiate the maintenance of effort (MOE) requirements were met for the Block Grants for Prevention and Treatment of Substance Abuse (SAPT) program for award year 2018 that closed during State fiscal year 2020.

As a condition of receiving federal funding under the SAPT program, USDHHS requires the State to maintain the level of State and locally funded expenditures for substance abuse prevention and treatment activities at an amount that is at least equal to the average level of these same amounts for the prior two years.

During the current fiscal year, we noted IDHS was required to maintain aggregate State expenditures for State fiscal year June 30, 2018 (SFY18) of \$86,140,868. IDHS reported actual aggregate State expenditures for State fiscal year June 30, 2018 of \$112,550,165. However, included in the total MOE reported expenditures were \$38,792,743 of managed care organization (MCO) billings in SFY18. The MCO billings represented MCO encounter data amounts, and IDHS could not provide evidence or reconcile MCO encounter data to actual State paid expenditures. Accordingly, these expenditures are not allowable for purposes of meeting the maintenance of effort requirement. IDHS appears to be approximately \$12.4 million short of the required \$86 million MOE requirement.

#### **Criteria or Requirement:**

According to 45 CFR 96.30(a), the fiscal control and accounting procedures of the State must be sufficient to permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant. Further, 45 CFR 96.134(a) states with respect to the principal agency of a State for carrying out authorized activities, the agency shall for each fiscal year maintain aggregate State expenditures by the principal agency for authorized activities at a level that is not less than the average level of such expenditures maintained by the State for the two year period preceding the fiscal year for which the State is applying for the grant.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include establishing procedures to ensure MOE requirements are achieved with allowable expenditures.

#### **Cause:**

In discussing these conditions with IDHS officials, management stated IDHS is awaiting confirmation from Substance Abuse and Mental Health Services Administration (SAMHSA) and Center for Substance Abuse Treatment (CSAT) for approval of the protocol for supporting the MOE requirement.

#### **Possible Asserted Effect:**

Failure to maintain required State expenditure levels for MOE and maintain adequate supporting documentation to support expenditures used to meet the MOE requirement results in noncompliance with program requirements.

#### **Repeat Finding:**

A similar finding was reported in the prior year audit as finding number 2019-009. (Finding Code 2020-012, 2019-009, 2018-007, 2017-008, 2016-008, 2015-009, 2014-010)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IDHS review its process for identifying allowable expenditures to achieve the SAPT MOE, including receiving input from SAMHSA regarding the applicability of MCO encounter data expenditures.

#### **Views of IDHS Officials:**

IDHS accepts the recommendation. IDHS developed protocol which was approved by SAMHSA/CSAT. There was a request by SAMHSA/CSAT for IDHS to clarify the start date of the protocol and provide an example report related to the protocol. IDHS' response to SAMHSA/CSAT was submitted on August 6, 2020 and confirmation from SAMHSA/CSAT is pending. This issue will be resolved once SAMHSA/CSAT confirmation of the protocol start date and report format is sent by SAMHSA/CSAT to IDHS.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Human Services (IDHS)  
**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)  
**Program Name:** Social Services Block Grant  
**CFDA # and Program Expenditures:** 93.667 (\$61,421,000)  
**Award Numbers:** Various – See schedule of award numbers  
**Federal Award Year:** Various – See schedule of award numbers  
**Questioned Costs:** \$4,662  
**Compliance Requirement(s):** Allowable Costs/Cost Principles  
**Finding 2020-013:** Improper Support for Title XX Beneficiary Payments  
**Type of Finding:** Material Weakness and Non-Compliance  
**Condition Found:**

IDHS did not maintain adequate support for payments on behalf of beneficiaries of the Social Services Block Grant (Title XX) program.

IDHS operates several State social service programs which qualify for Title XX funding. IDHS' Home Services program involves providing individuals with severe disabilities under the age of 60 who are at risk of moving into a nursing home or other facility with assistance with daily living activities in their homes.

During our test work of 40 Title XX Home Services program beneficiary payments (totaling \$26,367), we noted there was no evidence of review of supporting documentation for 7 of the beneficiary payments (totaling \$4,644). Additionally, for a payment made on behalf of one beneficiary, IDHS could not provide adequate supporting documentation to support the payment amount. Payment made on behalf of this beneficiary was \$18.

Payments made on behalf of beneficiaries of the Title XX program totaled approximately \$15,800,000 during the year ended June 30, 2020.

#### **Criteria or Requirement:**

According to 45 CFR 96.30(a), the State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds and fiscal control and accounting procedures of the State must be sufficient to permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

In addition, 2 CFR 200.303 require nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include procedures to maintain document to support beneficiary payments.

**STATE OF ILLINOIS**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**Cause:**

In discussing these conditions with IDHS officials, they stated these issues were primarily the result of oversight, errors in documentation, and misclassification of payments.

**Possible Asserted Effect:**

Failure to properly support benefit payments may result in unallowable costs being charged to the Title XX program.

**Repeat Finding:**

A similar finding was reported in the prior year audit as finding number 2019-015. (Finding Code 2020-013, 2019-015, 2018-016)

**Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

**Recommendation:**

We recommend IDHS review its current process for maintaining supporting documentation of beneficiary payments and consider changes necessary to ensure support is retained in accordance with program requirements.

**Views of IDHS Officials:**

IDHS accepts the recommendation. It will continue to work with field staff and re-enforce the need for proper documentation of reviews and approvals and secure storage of documentation.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Human Services (IDHS)  
**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)  
**Program Name:** Temporary Assistance for Needy Families Cluster  
CCDF Cluster  
Social Services Block Grant  
Block Grants for Prevention and Treatment of Substance Abuse

**CFDA # and Program Expenditures:** 93.558 (\$501,507,000)  
93.575/93.596 (\$432,781,000)  
93.667 (\$61,421,000)  
93.959 (\$62,404,000)

**Award Numbers:** Various – See schedule of award numbers

**Federal Award Year:** Various – See schedule of award numbers

**Questioned Costs:** None

**Compliance Requirement:** Subrecipient Monitoring

**Finding 2020-014:** Inadequate Review of Single Audit Reports

**Type of Finding:** Material Weakness and Material Non-Compliance

#### **Condition Found:**

IDHS did not adequately review single audit reports received from its subrecipients for the Temporary Assistance for Needy Families (TANF) Cluster, CCDF Cluster (Child Care or CCC), Social Services Block Grant (Title XX or SSBG), and Block Grants for Prevention and Treatment of Substance Abuse (SAPT) programs.

The State of Illinois established the Grant Accountability Transparency Unit (GATU) to implement the provisions of the State's Grant Accountability and Transparency Act (GATA) on a centralized basis. GATU has established standardized reporting requirements for subrecipients of the various Federal programs administered by the State through its various departments. Subrecipients of the State are required to certify whether they expended more than \$750,000 in federal awards during the fiscal year and submitted their single audit reporting packages to the Federal Audit Clearinghouse (FAC), if required. IDHS staff are responsible for ensuring single audit reports are received from subrecipients and reviewing the reports to determine the need for issuing management decisions letters (MDL) within required time frames and receiving corrective action plans (CAP).

During our review of a sample of 156 subrecipient single audit desk review files, we noted IDHS did not notify 5 subrecipients of the results of single audit desk reviews or issue management decisions on reported findings within 6 months of acceptance of the single audit report by the FAC as required. Also, the required CAP was not collected within required time frame.

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For the Year Ended June 30, 2020

These reviews were completed as follows:

<b>Desk Review Period</b>	<b>Number of Subrecipients</b>	<b>Type of Funding</b>
180-210 days after FAC acceptance	1	CCC
210-240 days after FAC acceptance	1	SSBG
240+ days after FAC acceptance	3	CCC, SSBG, SAPT

We also noted the single audit desk reviews for June 30, 2019 are still in process and have not been finalized as of the date of our test work (March 1, 2021) for 3 subrecipients with CCC, SAPT, TANF and SSBG.

Further, we noted 2 CCC subrecipients with fiscal year-ends December 31, 2018 and later who did not submit their reporting package within 9 months of their fiscal year end in accordance with GATU policies. No documentation was available to demonstrate follow-up, waivers being granted or sanctions imposed on these subrecipients by IDHS.

IDHS' subrecipient expenditures under the federal programs for the year ended June 30, 2020 were approximately as follows:

<b>Program</b>	<b>Total Fiscal Year 2020 Subrecipient Expenditures</b>	<b>Total Fiscal Year 2020 Program Expenditures</b>	<b>%</b>
TANF Cluster	\$16,396,000	\$501,507,000	3.3%
CCDF Cluster	120,311,000	432,781,000	27.8%
Title XX	42,998,000	61,421,000	70.0%
SAPT	58,112,000	62,404,000	93.12%

**Criteria or Requirement:**

2 CFR 200.332(d)(3) requires pass-through entities to issue management decisions for applicable audit findings pertaining to the federal awards provided to the subrecipient and 2 CFR 200.332(d)(4) requires pass through entities to resolving audit findings through correct action plans (CAP). (Note to the reader, 2 CFR 200.332X references were renumbered November 2020 and were previously cited as 2 CFR 200.331X.)

2 CFR 200.303 requires non-Federal entities receiving Federal awards to establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure (1) subrecipients expending \$750,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of Uniform Guidance, including that the audits are completed within nine months after the end of the subrecipient's fiscal year end, (2) the subrecipient audit reports are reviewed in a timely manner, and (3) management decisions on reported findings are issued within six months after acceptance of the subrecipient's audit reports by the FAC.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Cause:**

In discussing these conditions with IDHS officials, they stated IDHS Office of Contract Administration (OCA) staff have implemented several changes in processes and procedures of IDHS Audit Reviews within the Audit Report Review Management System (ARRMS). Several of these changes have led to timing issues with the timely processing of IDHS Audit Reviews of Single Audits and the issuances of Management Decision Letters (MDLs).

#### **Possible Asserted Effect:**

Failure to obtain and review subrecipient single audit reports in a timely manner could result in federal funds being expended for unallowable purposes and subrecipients not properly administering the federal programs in accordance with laws, regulations, and the grant agreement.

#### **Repeat Finding:**

A similar finding was reported in the prior year audit as finding number 2019-012. (Finding Code 2020-014, 2019-012, 2018-011, 2017-012, 2016-011, 2015-010, 2014-009, 2013-008, 12-06, 11-08)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IDHS establish controls to ensure single audit reports are received timely and to ensure desk reviews are completed and documented in a timely manner to evidence whether MDLs should be issued by IDHS within six months. In addition, we recommend IDHS establish controls to ensure any required CAP is also received.

#### **Views of IDHS Officials:**

IDHS agrees with the recommendation. IDHS will continue to work to establish controls to ensure single audit reports are received and processed timely, CAPs are received and desk reviews are completed and documented timely within the Audit Report Review Management System (ARRMS) in order to ensure MDL's are issued within the required timeframe.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Human Services (IDHS)  
**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)  
**Program Name:** Temporary Assistance for Needy Families Cluster  
CCDF Cluster  
Social Services Block Grant  
Block Grants for Prevention and Treatment of Substance Abuse

**CFDA # and Program Expenditures:** 93.558 (\$501,507,000)  
93.575/93.596 (\$432,781,000)  
93.667 (\$61,421,000)  
93.959 (\$62,404,000)

**Award Numbers:** Various – See schedule of award numbers

**Federal Award Year:** Various – See schedule of award numbers

**Questioned Costs:** \$36,092 related to CFDA 93.667

**Compliance Requirement:** Subrecipient Monitoring

**Finding 2020-015:** *Failure to Follow Established Program Subrecipient Monitoring Procedures and to Notify Subrecipients of Federal Funding*

**Type of Finding:** Material Weakness and Material Non-Compliance

#### **Condition Found:**

IDHS did not follow its established program monitoring policies and procedures for subrecipients of the Temporary Assistance for Needy Families (TANF) Cluster, CCDF Cluster (Child Care), Social Services Block Grant (Title XX), and Block Grants for Prevention and Treatment of Substance Abuse (SAPT) programs.

IDHS has implemented procedures whereby program staff perform periodic program on-site and desk reviews of IDHS subrecipient compliance with regulations applicable to the federal programs administered by IDHS. Generally, these reviews are formally documented and include the issuance of a report of the review results to the subrecipient summarizing the procedures performed, results of the procedures, and any findings or observations for improvement noted. IDHS's policies require the subrecipient to respond to each finding by providing a written corrective action plan. Additionally, IDHS program staff perform reviews of expenditure reports submitted by subrecipients. IDHS subrecipient monitoring procedures are subject to the review and approval of a supervisor.

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Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

During our test work over program on-site review procedures performed for 141 subrecipients of the TANF Cluster, CCDF Cluster, Title XX, and SAPT programs, we noted IDHS did not follow its established program monitoring procedures as follows:

- During our test work performed, we noted that IDHS did not perform on-site monitoring reviews of subrecipients in fiscal year 2020 in accordance with IDHS’ planned monitoring schedule and/or could not provide support for the review. Specifically, we noted the following exceptions:

<b>Federal Program</b>	<b>Number of Reviews Not Performed</b>	<b>Number of Subrecipients Tested</b>
TANF Cluster	1	14
CCDF Cluster	5	43
Title XX	1	42
SAPT	18	42

- IDHS did not provide timely notification (within 60 days) of the results of the programmatic on-site reviews. We noted the following exceptions:

<b>Federal Program</b>	<b>Number of Late Communications</b>	<b>Number of Subrecipients Tested</b>	<b>Number of Days Late (Range)</b>
TANF Cluster	1	14	3
Title XX	3	42	9 – 46
SAPT	9	42	3 – 273

- IDHS did not receive corrective action plans (CAPs) on a timely basis (within 60 days) after communicating programmatic review findings or follow up with subrecipients on delinquent CAPs. We noted the following exceptions:

<b>Federal Program</b>	<b>Number of Late CAPs</b>	<b>Number of Subrecipients Tested</b>	<b>Number of Days Late</b>
CCDF Cluster	2	43	62 – 77
Title XX	1	42	69
SAPT	9	42	5 – 199

For the Title XX program, IDHS personnel were unable to provide support for one of 27 expenditure reports reviewed for payment for \$36,092.

Additionally, for three Title XX subrecipients and 31 CCDF Cluster subrecipients sampled, IDHS did not communicate the required assistance listing number (CFDA number) to the subrecipients at time of disbursement.

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Schedule of Findings and Questioned Costs

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IDHS’s subrecipient expenditures under the federal programs for the year ended June 30, 2020 were approximately as follows:

<b>Program</b>	<b>Total Fiscal Year 2020 Subrecipient Expenditures</b>	<b>Total Fiscal Year 2020 Program Expenditures</b>	<b>%</b>
TANF Cluster	\$16,396,000	\$501,507,000	3.3%
CCDF Cluster	120,311,000	432,781,000	27.8%
Title XX	42,998,000	61,421,000	70.0%
SAPT	58,112,000	62,404,000	93.12%

**Criteria or Requirement:**

According to 2 CFR 200.332(d), a pass-through entity is required to monitor the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. According to 2 CFR 200.332(b), a pass-through entity must evaluate each subrecipient’s risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward. (Note to the reader, 2 CFR 200.332X references were renumbered November 2020 and were previously cited as 2 CFR 200.331X.)

Per 2 CFR Part 200.332(a)(1)(xii), all pass-through entities must identify the dollar amount made available under each Federal award and the CFDA number at the time of disbursement.

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include ensuring on-site program procedures and expenditure reviews are performed in a timely manner and adequate documentation is maintained. Further, controls should ensure CFDA notifications are made at disbursement.

**Cause:**

In discussing these conditions with IDHS officials, they stated that the program monitoring deficiencies noted are due to misplaced or misfiled documentation, untimely monitoring, inadequate staffing, and lack of consistent application in each program division. Furthermore, some staff were not aware of the requirement to notify subrecipients of CFDA numbers at time of disbursement.

**Possible Asserted Effect:**

Failure to adequately perform and document program on-site monitoring reviews of subrecipients and notify subrecipients of findings in a timely manner may result in subrecipients not properly administering the Federal programs in accordance with laws, regulations, and the grant agreement. Failure to communicate CFDA numbers at time of disbursement can hamper the subrecipients ability to correctly prepare their schedule of federal awards.

**Repeat Finding:**

A similar finding was reported in the prior year audit as finding number 2019-013. (Finding Code 2020-015, 2019-013, 2018-012, 2017-013, 2016-012, 2015-011, 2014-008, 2013-009, 12-07, 11-09)

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### Schedule of Findings and Questioned Costs

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#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IDHS ensure programmatic on-site and expenditure report reviews are performed and documented for subrecipients in accordance with established policies and procedures. In addition, we recommend IDHS review its process for reporting and following up on program findings relative to subrecipient on-site reviews to ensure timely corrective action is taken. Further, we recommend IDHS add to their warrant description the CFDA number for each disbursement made to subrecipients.

#### **Views of IDHS Officials:**

IDHS accepts the recommendation. IDHS continues to work to ensure that monitoring reviews of grantees are performed timely and appropriately documented and will continue to review procedures to ensure IDHS is following the required guidelines for reviews. Also, IDHS will review the requirement for ensuring the CFDA number is communicated to the subrecipients when payments are issued.

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### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Public Health (IDPH)  
**Federal Agency:** U.S. Department of Health and Human Services (USDHHS)  
**Program Name:** Immunization Cooperative Agreements  
**CFDA # and Program Expenditures:** 93.268 (\$97,397,000)  
**Award Numbers:** Various – see table of award numbers  
**Federal Award Year:** Various – see table of award numbers  
**Questioned Costs:** None  
**Compliance Requirement:** Special Test – Record of Immunization and Special Test – Control, Accountability, and Safeguarding of Vaccine  
**Finding 2020-016:** Failure to Follow Established VFC Provider Review Procedures  
**Type of Finding:** Significant Deficiency and Non-Compliance

#### Condition Found:

IDPH did not follow its established policies and procedures for performing on-site compliance reviews of Vaccines for Children (VFC) providers for the Immunization Cooperative Agreements (Immunization) program.

IDPH distributes vaccines to medical providers throughout the State under the VFC program. In accordance with guidance from the USDHHS Centers for Disease Control and Prevention (CDC), IDPH is responsible for conducting on-site compliance reviews of VFC providers at least once every 24 months to determine whether the providers are appropriately maintaining and safeguarding the vaccines provided by IDPH and to verify provider medical records adequately document the use of vaccines. Further, on-site compliance reviews of new VFC providers must be conducted no sooner than three to six months but no later than 12 months from the date the provider is enrolled and active in the VFC program.

During our review of a sample of on-site compliance reviews performed for 40 VFC providers (who were distributed vaccines with a net value of \$3,828,695 during the year ended June 30, 2020), we noted IDPH did not perform the on-site compliance review within 24 months of the previous review for 25 VFC providers tested (who were distributed vaccines with a net value of \$2,124,611 during the year ended June 30, 2020). Delays in performing on-site reviews for the 25 VFC providers ranged from 5 to 182 days late. The net value of vaccines distributed by IDPH to VFC providers during the year ended June 30, 2020 totaled \$88,533,000. Further, IDPH did not perform the on-site compliance review within 12 months of enrollment for 1 new VFC provider tested (who was distributed vaccines with a net value of \$71,906 during the year ended June 30, 2020). This delay was 79 days.

IDPH has not implemented appropriate monitoring procedures to ensure on-site compliance reviews are completed for all VFC providers every 24 months, and all new providers within 12 months from the completion of enrollment.

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### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Criteria or Requirement:**

According to 42 USC 300aa-25, the provider is required to record in a permanent medical record each vaccine administered. IDPH's Vaccines for Children Compliance Reviewers Manual Chapter 4 requires compliance site visits will be completed for all (100%) enrolled providers within 24 months from the date of the last compliance visit so that providers are visited every other year. Further Chapter 3 requires new providers have a compliance visit three to six months of enrollment but not to exceed 12 months. 2 CFR 200.303 requires non-Federal entities receiving Federal awards to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include having adequate resources to ensure VFC provider on-site reviews are performed within required timeframes.

#### **Cause:**

The major barrier to completing compliance visits within the required timeframe has been staffing issues. This includes staff turnover, vacancies that remain unfilled for an unusual length of time and the additional training time for replacement staff once hires are made.

#### **Possible Asserted Effect:**

Failure to perform on-site reviews of VFC providers in a timely manner may result in noncompliance with requirements related to the safeguarding and use of vaccines and providers not properly documenting medical records in accordance with program requirements.

#### **Repeat Finding:**

A similar finding was reported in the prior year audit as finding number 2019-037. (Finding Code 2020-016 and 2019-037)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IDPH make the necessary changes to its internal control procedures to ensure on-site compliance reviews are performed for all VFC provider within required timeframes.

#### **Views of IDPH Officials:**

IDPH agrees with the finding and recommendation. Efforts have been made to increase staffing to ensure coverage and appropriate oversight of all areas in question. Ongoing and continuous training is occurring with staff to ensure requirements will be met. The COVID-19 pandemic has increased immunization staff workload. Due to the continued guidance of no travel for state employees, IDPH Immunization section is in the process of developing procedures for virtual site visits, as now allowed per the CDC. The policy is currently in draft and will require approval from leadership. The VFC Administrator position was filled June 2020. Interviews have been conducted for other vacant immunization leadership positions and will soon be filled by qualified candidates. Site visit compliance is being monitored in PEAR but has been impeded by the pandemic and travel restrictions. This oversight is the responsibility of the supervisor.

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### Schedule of Findings and Questioned Costs

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<b>State Agency:</b>	Governor's Office of Management and Budget (GOMB)
<b>Federal Agency:</b>	U.S. Treasury Department (TREAS)
<b>Program Name:</b>	COVID-19 – Coronavirus Relief Fund
<b>CFDA # and Program Expenditures:</b>	21.019 (\$268,332,000)
<b>Award Numbers:</b>	Various – see table of award numbers
<b>Federal Award Year:</b>	Various – see table of award numbers
<b>Questioned Costs:</b>	None
<b>Compliance Requirement:</b>	Allowable Costs/Cost Principles and Period of Performance
<b>Finding 2020-017:</b>	<u><i>Inadequate Controls for Detail Review of Expenditures</i></u>
<b>Type of Finding:</b>	Significant Deficiency and Non-Compliance
<b>Condition Found:</b>	

GOMB implemented a management review process regarding the allowable cost categories of expenses as defined by Department of Treasury. A secondary control for a more detailed review of the actual costs included in the allowable cost categories did not operate at the required precision level.

GOMB is responsible for overseeing the administration of the Coronavirus Relief Fund (CRF) for the State of Illinois. GOMB established guidance for the 34 state agencies that incurred costs related to the COVID-19 pandemic and response. GOMB also created a COVID-19 Expenditure Reports Review Committee that reviewed the various types of costs being submitted by the state agencies, including consideration of Public Assistance eligibility, before communicating with the agency the final funding source that would be utilized to reimburse each state agency. The audit of CRF included the largest five state agencies incurring CRF expenses – Department of Corrections (DOC), Department of Human Services (DHS), Department of Innovation and Technology (DOIT), Department of Commerce and Economic Opportunity (DCEO), and Capital Development Board (CDB). These five agencies accounted for approximately 90% of the total CRF funds included on the Schedule of Expenditures of Federal Awards (SEFA) for June 30, 2020.

During our testing of both payroll and other-than-payroll (OTPS) expenditures, we noted the following items related to allowable costs:

1. Several DOC payroll sample amounts originally did not agree to supporting timesheets. DOC determined a query used to pull the at-home personnel payment information was not correct. Also, the social security benefit amount related to the at-home amounts had been estimated at a lower amount than actual. When both issues were corrected, the net adjustment made to the June 30, 2020, SEFA was approximately a \$6,000 decrease.
2. DOC identified at-home pay related to non-essential personnel during the stay-at-home order. When detail testing the amounts, some of the payments included overtime that was banked for payout at year-end and vacation time. This portion of the salary amounts was determined to not be allowable as DOC had included these amounts in the budget. DOC quantified these amounts, totaling approximately \$1.9 million, and they were removed from the 2020 SEFA.

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### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

3. DHS identified at-home pay primarily related to state school workers who were unable to work at the schools during the stay-at-home order. When detail testing the amounts, some of the payments included overtime that was banked for payout at year-end and vacation time. DHS noted that banked overtime payout and vacation time is often paid out in the last quarter of the fiscal year. Additionally, several payroll expenditures were identified as supplement payments that represented retirement payouts. These portions of the salary amounts were determined to not be allowable as DHS had included these amounts in the budget. For ease, DHS reduced the 2020 SEFA by the entire at-home amount of approximately \$3.2 million.

In addition, we noted the following items related to period of performance:

1. For all agencies, approximately \$11.1 million of OTPS costs were included in CRF but were not paid until after June 30, 2020. The SEFA is on a cash basis, so these expenditures were moved from 2020 to the 2021 SEFA.
2. Similarly, the last pay period of June was included in the CRF for all agencies with payroll expenses but was not paid until July 2020. These costs of approximately \$2.8 million were also moved from the 2020 to the 2021 SEFA.

All amounts were properly adjusted in the 2020 SEFA; therefore, there are no questioned costs.

#### **Criteria or Requirement:**

The purpose of the Coronavirus Relief Fund (the Fund) is to provide direct payments to state, territorial, tribal, and certain eligible local governments to cover:

1. Necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19).
2. Costs that were not accounted for in the government's most recently approved budget as of March 27, 2020; and
3. Costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020, per section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

A cost meets the requirement of "costs not accounted for in the budget most recently approved as of March 27, 2020" if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

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### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Cause:**

In discussing these conditions with GOMB officials, they stated the review and approval/denial process evolved along with changing federal guidance. GOMB staff reviewed tens of thousands of reported expenditures from the various agencies to determine eligibility. Due to changing federal guidance, all expenditure line items were reviewed multiple times throughout the process. Payroll expenditures of approximately 200,000-line items were mostly reviewed in bulk due to lack of GOMB capacity to review each individual paycheck and Social Security contribution.

Finally, GOMB tracked line item expenditures by voucher and voucher release date. Thus, GOMB did not consider cash basis/accrual basis accounting in the design of the agency expenditure tracking templates.

#### **Possible Asserted Effect:**

Failure to review expenditures at a detail level could result in unallowable costs or expenditures claimed outside of the award's period of performance.

#### **Repeat Finding:**

A similar finding was not reported in the prior year audit. (Finding Code 2020-017)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend GOMB add an additional process to identify unallowable costs in the detail of expenditures. Provided expenditures are incurred within 60 days of June 30, 2020 year-end, GOMB should review the dates the amounts were paid to ensure proper cutoff.

#### **Views of GOMB Officials:**

GOMB accepts this audit finding and will review the process to determine how to complete a more thorough review of the payroll expenditures. GOMB provided state agencies with expenditure templates to track various types of COVID-19-related expenditures. Detailed instructions were distributed to the agencies to explain the types of expenditures to be reported and to identify the supporting documentation that agencies would be required to maintain. Through the SEFA preparation, templates were revised to capture the appropriate data to account for both cash and accrual basis of accounting for proper reporting.

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### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Criminal Justice Information Authority (ICJIA)

**Federal Agency:** U.S. Department of Justice (USDOJ)

**Program Name:** Crime Victim Assistance

**CFDA # and Program Expenditures:** 16.575 (\$71,019,000)

**Award Numbers:** Various – see table of award numbers

**Federal Award Year:** Various – see table of award numbers

**Questioned Costs:** Cannot be determined

**Compliance Requirement:** Subrecipient Monitoring

**Finding 2020-018:** Failure to Execute Risk Assessment and Adequately Monitor Subrecipients

**Type of Finding:** Material Weakness and Material Non-Compliance

#### **Condition Found:**

ICJIA created a risk assessment policy but did not execute the risk assessment of subrecipients of the Crime Victim Assistance (CVA) program as required by the Uniform Guidance during fiscal year 2020. Additionally, ICJIA did not perform programmatic and fiscal on-site visits in accordance with its established monitoring procedures, did not adequately review single audit reports, and did not include identifying information with disbursements made to subrecipients.

The Uniform Guidance requires pass-through agencies to perform a risk assessment to establish appropriate monitoring procedures based upon the risks inherent at each subrecipient. ICJIA is required to monitor subrecipients to determine whether they establish and operate their fiscal system according to the conditions of the award document and to ensure that funds are requested and expended according to the subrecipient's cash needs and eligible costs. ICJIA's monitoring procedures for all subrecipients consisted of performing single audit report desk reviews, reviewing fiscal and data reports submitted by subrecipients, and performing periodic program and fiscal site visits.

ICJIA created a risk assessment policy during fiscal year 2020 but did not perform the risk assessments and document related conclusions for subrecipients as specified in the policy. Accordingly, we could not determine if the 30 program and 1 fiscal on-site reviews conducted correlated with the risk criteria set forth in the policy.

In reviewing the on-site program monitoring procedures performed by ICJIA for seven subrecipients (with expenditures totaling \$3,146,878), we noted the following exceptions:

- ICJIA's program on-site monitoring reviews included completing a brief checklist to determine whether certain program-specific compliance requirements (including activities allowed, matching, and maintenance of effort requirements) and select fiscal activities were being performed in accordance with the grant award. The procedures performed appeared to primarily consist of inquiries of personnel responsible for administering the program at the subrecipient location.

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### Schedule of Findings and Questioned Costs

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- ICJIA did not consistently document the supervisory review of the site visit reports or supervisory review of communications of on-site monitoring results to subrecipients in accordance with ICJIA's policies for three subrecipients tested. Specifically:
  - Two of the seven site visit reports contained no evidence of review by the supervisor.
  - For one of the seven reviews, there was no evidence of the follow up letter.
  - For two of the seven reviews, the follow up letter was sent without evidence of supervisor review.
- ICJIA's fiscal on-site monitoring review included more detailed procedures over the various fiscal processes (payroll, procurement, and reporting) impacting compliance requirements applicable to most federal programs. The review also included sampling of transactions across multiple awards provided by ICJIA. For the one sample, evidence of the corrective action plan and file closure were not available. In addition, no evidence of supervisory review of the file was provided.

Additionally, ICJIA did not adequately review single audit reports for subrecipients of the CVA program. The State of Illinois established the Grant Accountability Transparency Unit (GATU) to implement the provisions of the State's Grant Accountability and Transparency Act (GATA) on a centralized basis. GATU has established standardized reporting requirements for subrecipients of the various Federal programs administered by the State through its various departments. Subrecipients of the State are required to certify whether they expended more than \$750,000 in federal awards during the fiscal year and submitted their single audit reporting packages to the Federal Audit Clearinghouse (if required).

ICJIA staff are responsible for reviewing the reports of their subrecipients and issuing management decisions on findings reported within required time frames. During our test work of a sample of single audit desk review files for 16 CVA program subrecipients, we noted ICJIA did not have appropriate internal controls in place to ensure receipt of single audit reports or issuance of management decisions within required time frames.

Finally, all pass-through entities must identify the dollar amount made available under each Federal award and the assistance living number (or CFDA number) at the time of disbursement per 2 CFR 200.332(a)(1)(xii). ICJIA did not provide any notification of CFDA numbers to its subrecipients when funds were disbursed during fiscal year 2020.

We noted ICJIA passed through approximately \$68,765,000 to subrecipients of the CVA program during the year ended June 30, 2020.

#### **Criteria or Requirement:**

28 CFR 94.106(a) requires the state administering agency (SAA) to develop and implement a monitoring plan in accordance with the requirements of this section and 2 CFR 200.332. The monitoring plan must include a risk assessment plan. 2 CFR 200.332(b) states a pass-through entity must evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the sub award. In addition, 2 CFR 200.332(d) states a pass-through entity must monitor the activities of the subrecipient as necessary to ensure that the sub award is used for authorized purposes, in compliance with Federal statutes, regulations and the terms and conditions of the sub award; and that the sub award performance goals are achieved. (Note to the reader, 2 CFR 200.332X references were renumbered November 2020 and were previously cited as 2 CFR 200.331X.)

## STATE OF ILLINOIS

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For the Year Ended June 30, 2020

Additionally, 2 CFR 200.332(d)(3) and 2 CFR 200.521 state that a pass-through entity is required to issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes timely and appropriate corrective action on all audit findings.

Further, 2 CFR 200.303 requires non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include implementing risk assessment procedures required by the Uniform Guidance and ensure monitoring procedures are performed and documented in accordance with established policies and procedures.

#### **Cause:**

In discussing these conditions with ICJIA officials, they stated both a lack of adequate staff resources combined with the increase in new programs delayed the ability to adequately implement the policy and conduct the onsite reviews. In addition, ICJIA officials indicated changes in personnel combined with competing priorities for the limited resources available led to a reduction in the audits and review of work performed. Further, ICJIA officials indicated the Authority intentionally did not issue management decision letters prior to finalization of the GATU process which resulted in MDLs being issued late.

#### **Possible Asserted Effect:**

Failure to execute required risk assessments and adequately monitor subrecipients including review of single audit reports may result in subrecipients not properly administering the federal programs in accordance with laws, regulations, and the terms and conditions of the award. Not communicating CFDA numbers can hamper the subrecipients' ability to correctly prepare their schedule of federal awards.

#### **Repeat Finding:**

A similar finding was reported in the prior year audit as finding number 2019-056. (Finding Code 2020-018, 2019-056)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend ICJIA perform and document risk assessments of each subrecipient and ensure monitoring visits are performed in accordance with the results of such risk assessments. We also recommend ICJIA ensures adequate documentation is retained for all program and fiscal reviews. In addition, we recommend ICJIA establishes controls to ensure single audit reports and any CAP are received timely and desk reviews are completed and documented in a timely manner to substantiate whether MDLs should be issued by ICJIA within six months. Lastly, ICJIA should add to their warrant description the CFDA number associated with each disbursement.

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#### **Views of ICJIA Officials:**

ICJIA concurs with the recommendation and will issue preliminary MDLs within the required timeframe. Additionally, the agency will implement a process for ensuring financial oversight of grantees based on assessed risk and adequately document the internal review. The agency has incorporated and communicated more changes to our policy and procedures (and will continuously update as needed) to more comprehensively oversee and update our grantee files on a timely basis and to ensure appropriate and complete documentation is maintained and updated monthly or more regularly as needed. The agency has begun adding the CFDA number to each disbursement.

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### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Criminal Justice Information Authority (ICJIA)

**Federal Agency:** U.S. Department of Justice (USDOJ)

**Program Name:** Crime Victim Assistance

**CFDA # and Program Expenditures:** 16.575 (\$71,019,000)

**Award Numbers:** Various – see table of award numbers

**Federal Award Year:** Various – see table of award numbers

**Questioned Costs:** \$227,000 under reported

**Compliance Requirement:** Reporting and Matching

**Finding 2020-019:** Inadequate Controls over Reports and Matching

**Type of Finding:** Material Weakness and Non-Compliance

#### **Condition Found:**

ICJIA does not have adequate controls in place to ensure amounts reported on the federal financial status report (SF-425) and the annual Victims of Crime Act (VOCA) progress report are complete and accurate.

ICJIA is required to prepare financial status (SF-425) reports on a quarterly basis for each Crime Victim Assistance grant and a final report once the grant is closed. During our review of three quarterly reports and one final SF-425 report submitted during the year ended June 30, 2020, we noted documentation of supervisory review procedures was not available for any of the SF-425 reports submitted. Similarly, there was no evidence of review of the annual VOCA report.

With regard to matching, we noted the total recipient share of expenditures of approximately \$18.1 million reported on the final SF-425 submitted for the Federal fiscal year 2016 did not agree to supporting documentation. Specifically, during our review of 13 subrecipient matching contributions totaling approximately \$11.9 million of the match, we noted seven matching contributions did not agree to the underlying expenditure reports submitted by subrecipients. As a result of these errors, the total recipient share of expenditures was understated by approximately \$227,000. The control related to reviewing the manually inputted matching information for accuracy did not function at the correct precision level.

#### **Criteria or Requirement:**

2 CFR 200.303 requires non-Federal entities receiving Federal awards to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure financial and other award information reported in required financial reports is accurate prior to submission.

28 CFR 94.118 required subrecipients to contribute not less than 20% of the total cost of each project unless a waiver is applied.

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#### **Cause:**

In discussing these conditions with ICJIA officials, they stated the current process for validating the fiscal expenditure data for both the SF-425 and annual VOCA progress reports is not operating at a sufficient level to ensure complete and accurate submission of financial status reports due to a lack of available data, automation and resources. In addition, ICJIA officials indicated documentation of supervisory reviews of prepared reports was not retained due to the remote working environment.

#### **Possible Asserted Effect:**

Failure to establish adequate controls may result in inaccurate financial and/or progress reports which prevents the USDOJ from effectively monitoring the Crime Victim Assistance Program. In addition, non-compliance could occur with regard to required matching specified in the grant awards.

#### **Repeat Finding:**

A similar finding was reported in the prior year audit as finding number 2019-058. (Finding Code 2020-019, 2019-058)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend ICJIA maintain documentation of the report reviews demonstrating reports are complete, accurate, and agree or reconcile to financial records. We also recommend the review of the matching information be enhanced to a greater precision level to address data input errors.

#### **Views of ICJIA Officials:**

ICJIA accepts the recommendation and will implement procedures to validate the data used is complete and accurate for both the SF-425 and annual VOCA progress reports. The implementation will include training of administrative assistants and retention of report reviews by management.

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For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Employment Security (IDES)  
**Federal Agency:** U.S. Department of Labor (USDOL)  
**Program Name:** Employment Service Cluster  
**CFDA # and Program Expenditures:** 17.207/17.801/17.804 (\$38,072,000)  
**Award Numbers:** Various – see table of award numbers  
**Federal Award Year:** Various – see table of award numbers  
**Questioned Costs:** Cannot be determined  
**Compliance Requirement:** Allowable Costs/Cost Principles and Period of Performance  
**Finding 2020-020:** Inadequate Support for Fringe Benefit Costs Charged to Federal Programs  
**Type of Finding:** Material Weakness and Material Non-Compliance  
**Condition Found:**

IDES does not have adequate controls in place over determining fringe benefits to be charged to the Employment Service Cluster program.

The Employment Service Cluster program is an administrative grant program which primarily funds personal service costs, fringe benefit expenditures, and indirect costs which are allocated to its federal and state programs through the use of cost centers established for each of IDES' activities and programs. On an annual basis, the Department of Central Management Services (DCMS) establishes rates for group insurance fringe benefit charges (including health insurance, dental insurance, and life insurance) to be used by all State agencies to determine the insurance premiums to be paid for State employees.

During our testing of 40 fringe benefit expenditures charged to the Employment Service Cluster program (totaling \$214,000), we noted that for 37 of the 40 samples, we were unable to recalculate benefit amounts such as social security, Medicare, and group insurance. Differences noted ranged from \$1 to \$252. As a result, we were unable to determine whether the fringe benefit expenditures were appropriately supported in accordance with federal requirements due to the lack of established internal control procedures to ensure fringe benefit amounts are complete and accurate.

Fringe benefits costs charged to the Employment Services Cluster program for the year ended June 30, 2020 were approximately \$10,775,000.

#### **Criteria or Requirement:**

2 CFR 200.403 establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments. To be allowable under federal awards, costs must meet certain general criteria. Those criteria require, among other things, that the expenditure be adequately documented.

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In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include procedures to ensure the completeness and accuracy of fringe benefits expenditures charged to the program.

#### **Cause:**

IDES officials stated the differences identified were the result of a miscalculation in the allocation of fringe benefit costs to employees due to an error in the payroll system.

#### **Possible Asserted Effect:**

Failure to establish effective internal control over the completeness and accuracy of fringe benefit expenditures claimed may result in the unallowable costs being charged to federal programs.

#### **Repeat Finding:**

A similar finding was reported in the prior year audit as finding number 2019-069 and 2019-060. (Finding Code 2020-020, 2019-069, 2019-060)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IDES identify the calculation discrepancies for fringe benefits and implement corrective action.

#### **Views of IDES Officials:**

IDES accepts this audit finding and will actively work with CMS in designing a new statewide payroll application to roll out to our employees that is scheduled for implementation beginning January 2022. We anticipate adequate controls will be built into the new payroll application to resolve these discrepancies.

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### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Employment Security (IDES)

**Federal Agency:** U.S. Department of Labor (USDOL)

**Program Name:** Employment Service Cluster

**CFDA # and Program Expenditures:** 17.207/17.801/17.804 (\$38,072,000)

**Award Numbers:** Various – see table of award numbers

**Federal Award Year:** Various – see table of award numbers

**Questioned Costs:** Cannot be determined

**Compliance Requirement:** Eligibility

**Finding 2020-021:** Inadequate Procedures to Determine and Document Veteran Benefit Eligibility

**Type of Finding:** Material Weakness and Material Non-Compliance

#### **Condition Found:**

IDES does not have adequate procedures to determine and document eligibility for veteran beneficiaries of the Employment Service Cluster program.

The Employment Service Cluster program provides career services to meet the employment needs of eligible veterans of the Disabled Veterans' Outreach Program (DVOP). Services are provided to eligible veterans based upon priority and maximum emphasis requirements established by Veterans' Program Letter 03-14 and Training and Employment Guidance Letter (TEGL) 19-13. In accordance with the statute, USDOL directives specify the following order of priority in the provision of services: (1) special disabled veterans; (2) other disabled veterans; and (3) other eligible veterans with significant barriers to employment (SBE). As part of IDES' process to determine eligibility of program beneficiaries, a Veteran Intake Form (VIF) is completed by each veteran and reviewed by a program manager to verify the veteran qualifies for services.

During our testing of 40 veterans who received services from the Employment Services Cluster program, we noted that the VIF for 18 veterans was unable to be provided by IDES. Of these 18 veterans with missing VIFs, DVOP services were provided to 2 veterans who were ineligible as they did not meet the established criteria to receive such services. The remaining 16 were determined to be eligible for services based on the information in each veteran's file; however, the VIF could not be located to validate the control evidence. There are no questioned costs noted as there are no direct monetary benefits received by the veterans who are receiving reemployment services.

#### **Criteria or Requirement:**

38 USC 4103A(a) establishes the priority and maximum emphasis requirements for DVOP services. In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include procedures in place to ensure beneficiary eligibility determinations are performed and documented in accordance with program regulations.

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2 CFR 200.403 establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments. To be allowable under federal awards, costs must meet certain general criteria. Those criteria require, among other things, that the expenditure be adequately documented.

#### **Cause:**

In discussing these conditions with IDES officials, they acknowledged the problem and that the conditions of COVID and the increased demand on the employment services' frontline staff meant that the veteran staff had new responsibilities with respect to the Veterans Intake Form. Although an accessible form was created and made fillable, and training on how to use the form was instituted, the form was not consistently utilized.

#### **Possible Asserted Effect:**

Failure to properly document and perform eligibility determinations in accordance with internal policy and federal regulations may result in federal funds being awarded to ineligible beneficiaries, which are unallowable costs.

#### **Repeat Finding:**

A similar finding was not reported in the prior year audit. (Finding Code 2020-021)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IDES review its current procedures and consider any changes necessary to ensure eligibility determinations are documented and performed in accordance with internal policy and federal regulations, including evidence of review.

#### **Views of IDES Officials:**

IDES accepts this audit finding and will institute the following changes to our process: Reminding and Retraining all the Jobs for Veterans State Grants (JVSG) staff on the use and uploading of the Veterans Intake Form, which was conducted on Friday, 19 March 2021 by the Statewide Veterans Program Manager and Illinois Job Link Trainer; institute a two-party (Business Services Managers and JVSG Program Managers) monitoring of the JVSG staff on a weekly basis to ensure compliance and will institute additional changes if this is found ineffective. We will continue this process of checking the JVSG Staffs' work.

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### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Employment Security (IDES)  
**Federal Agency:** U.S. Department of Labor (USDOL)  
**Program Name:** COVID-19 – Unemployment Insurance Program  
**CFDA # and Program Expenditures:** 17.225 (\$378,422,000 for PUA)  
**Award Numbers:** Various – see table of award numbers  
**Federal Award Year:** Various – see table of award numbers  
**Questioned Costs:** Cannot be determined  
**Compliance Requirement:** Eligibility  
**Finding 2020-022:** Inadequate Process over Determining Eligibility for the Pandemic Unemployment Assistance Program  
**Type of Finding:** Material Weakness and Material Non-Compliance

#### Condition Found:

IDES did not perform required wage verifications for Pandemic Unemployment Assistance (PUA) program claimants in accordance with program requirements during the year ended June 30, 2020. Additionally, IDES did not have controls to ensure wage verification requirements were performed.

The PUA program was established by the Coronavirus Aid, Relief, and Economic Security Act (CARES) enacted on March 27, 2020. The main provisions of the PUA program include providing up to 39 weeks of benefits to qualifying individuals who were otherwise able to work and available for work within the meaning of applicable state law, except that they were unemployed, partially unemployed, or unable or unavailable to work due to COVID-19 related reasons, as defined in the CARES Act. Benefit payments under PUA were retroactive, for weeks of unemployment, partial unemployment, or inability to work due to COVID-19 reasons starting on or after January 27, 2020 and through December 31, 2020.

During our audit of PUA recipients through June 30, 2020, we noted IDES did not perform wage verifications for any PUA claimants who received amounts greater than the standard \$198 weekly benefit amount (WBA). For these PUA claimants, IDES is required to perform wage verifications within 21 days of the application being submitted. IDES management stated that benefits paid to PUA claimants as of June 30, 2020 who received greater than \$198 WBA and did not have the required wage verification performed within 21 days were approximately \$155,083,000.

Total PUA payments were approximately \$378,422,000, or 4% of the total \$9.5 billion CARES Unemployment Insurance programs including PUA, Pandemic Emergency Unemployment Compensation (PEUC), and Federal Pandemic Unemployment Compensation (FPUC) included in the Schedule of Expenditures of Federal Awards during the year ended June 30, 2020.

Additionally, IDES did not establish processes and controls for wage verifications during the year ended June 30, 2020.

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#### **Criteria or Requirement:**

According to the USDOL's Employment and Training Administration (ETA) and Office of the Solicitor Memorandum to the USDOL Inspector General dated June 5, 2020, Subject – Response to the Office of Inspector General's (OIG) Alert Memorandum: *The Pandemic Unemployment Assistance Program Needs Proactive Measures to Detect and Prevent Improper Payments and Fraud*, Report Number: 19-20-002-03-315, IDES is required to obtain documentation of wages for any benefit amount above the minimum weekly benefit amount in accordance with the Disaster Unemployment Assistance (DUA) regulations within 21 days.

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include procedures to ensure required wage verifications are performed within the required timeframe.

#### **Cause:**

In discussing these conditions with IDES officials, they stated the reason for not performing wage verifications was a result of the expedited timeframe of the PUA program implementation in order to provide beneficiary payments to claimants as quickly as possible during the pandemic. In addition, there was a shortage of IDES personnel available to handle the volume of PUA claims and calls along with the wage verifications when the primary focus of IDES personnel was immediate disbursements of funds.

#### **Possible Asserted Effect:**

Failure to establish adequate processes and internal controls may result in noncompliance with program regulations and payments to ineligible recipients.

#### **Repeat Finding:**

A similar finding was not reported in the prior year audit. (Finding Code 2020-022)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IDES review its current procedures and consider any changes necessary to ensure adequate processes are established to complete wage verification for all PUA recipients within 21 days based on the regulations change dated January 2021 requiring all wages to be verified. In addition, IDES should continue to perform wage verifications and send recoupment letters for those who received erroneous or excessive benefits from May to December 2020.

#### **Views of IDES Officials:**

Since June 30, 2020, IDES has made two procedural changes to address this audit issue. At the end of August 2020, IDES engaged an outside contractor to provide non-merit staff to assist with the massive PUA workflows in addition to other UI related areas of need. Even with this outside staff assisting, processing necessary claims information in PUA has proven challenging.

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Beginning in January of 2021, all claims were started at the minimum Weekly Benefit Amount (WBA), pending income verification. This measure prevented establishing overpayments where subsequent income verification did not support a higher WBA.

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For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Employment Security (IDES)  
**Federal Agency:** U.S. Department of Labor (USDOL)  
**Program Name:** COVID-19 – Unemployment Insurance Program  
**CFDA # and Program Expenditures:** 17.225 (\$378,422,000 for PUA)  
**Award Numbers:** Various – see table of award numbers  
**Federal Award Year:** Various – see table of award numbers  
**Questioned Costs:** None  
**Compliance Requirement:** Eligibility  
**Finding 2020-023:** Inadequate Controls over Determining Eligibility for the Pandemic Unemployment Assistance Program  
**Type of Finding:** Material Weakness

#### Condition Found:

IDES did not establish adequate internal controls over its third-party service organization who administered the Unemployment Framework for Automated Claim & Tax Services (uFACTS) system used to determining eligibility for the Pandemic Unemployment Assistance (PUA) program.

The PUA program was established by the Coronavirus Aid, Relief, and Economic Security Act (CARES) enacted on March 27, 2020. The main provisions of the PUA program include providing up to 39 weeks of benefits to qualifying individuals who were otherwise able to work and available for work within the meaning of applicable state law, except that they were unemployed, partially unemployed, or unable or unavailable to work due to COVID-19 related reasons, as defined in the CARES Act. Benefit payments under PUA were retroactive, for weeks of unemployment, partial unemployment, or inability to work due to COVID-19 reasons starting on or after January 27, 2020 and through December 31, 2020.

IDES hired a third-party service organization to administer the uFACTS system. Specifically, the following was noted with regard to general information technology controls (GITC):

Segregation of Duties (SOD) – Controls were not in place to restrict access to migrate program or configuration changes into the production environment for the PUA system.

- For infrastructure changes, it was noted that 8 PUA Developers also had access to IL-PUA Production WinAdministrators.
- For application changes, we were unable to determine that SOD was enforced on the application level and no supporting evidence was available to demonstrate SOD.

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Change Management – Changes to key systems/applications and any new development/implementations were not properly authorized, tested, validated, and approved prior to being placed into production by an appropriate level of management.

- For 4 out of 15 infrastructure changes inspected, we were unable to determine the approval and migration dates for the change ticket.
- For 1 out of 15 infrastructure changes inspected, the change was completed on May 30, 2020 while approvals were not given until June 1, 2020.

Access Provisioning – Supporting documentation was not available for new hires and terminated users.

- For 1 out of 5 inspected terminated users, the ticket requesting the deactivation of the user was not available. As a result, we were unable to determine the timeliness and appropriateness of the user termination.
- For 4 out of 5 of the inspected new hires, the tickets were either not available, or submitted after the user had been provided access.
- For 3 out of 5 inspected new hires, the user's access was granted prior to the creation of the request ticket.
- For 1 out of 5 inspected new hires, the ticket requesting access was not available.
- User access reviews were not performed during the fiscal year under audit. IDES subsequently performed a user access review in October 2020.

With regard to uFACTS application edits, IDES did not include the self-certification question for claimants to certify they were “self-employed (including an independent contractor and gig worker) and experienced a significant reduction of my customary or usual services because of the COVID-19 public health emergency” (question kk) in the initial claim process application or continued claim process application as required per Section 2102(a)(3)(A)(ii)(I) of the CARES Act (question kk) . IDES subsequently corrected this PUA design error by including question (kk) in the initial and continued claim application in February 2021. IDES did include the other 10 COVID-19 related reasons in the initial and continued claim application.

#### **Criteria or Requirement:**

Unemployment Insurance Program Letter (UIPL) No. 16-20, issued on April 5, 2020, defined a PUA covered individual per Sec. 2102, Pandemic Unemployment Assistance (a)(3) as one who provides a self-certification that the individual is otherwise able to work and available for work within the meaning of applicable state law, except the individual is unemployed, partially unemployed, or unable or unavailable to work for a variety of COVID-19 related reasons such as diagnosed with COVID-19, self-quarantine, or place of employment is closed due to COVID-19.

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include procedures to ensure adequate monitoring controls over the PUA program are implemented, including oversight controls over its third-party service organization including user access provisioning, segregation of duties, and change management over uFACTS.

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#### **Cause:**

In discussing these conditions with IDES officials, they stated the reason for the uFACTS inadequate system design was a result of the expedited timeframe of the PUA program implementation in order to provide beneficiary payments to claimants as quickly as possible during the pandemic.

#### **Possible Asserted Effect:**

Failure to establish adequate processes and internal controls may result in noncompliance with program regulations and payments to ineligible recipients.

#### **Repeat Finding:**

A similar finding was not reported in the prior year audit. (Finding Code 2020-023)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IDES review its current procedures and consider any changes necessary to ensure adequate monitoring internal controls are established and implemented relating to the PUA program, including oversight controls over its third-party service organization to address adequate user access provisioning, segregation of duties, and change management controls over uFACTS.

#### **Views of IDES Officials:**

IDES accepts this audit finding. A comprehensive review of both procedures and documented internal controls relative to the PUA program is underway and expected to be completed soon. User access provisioning, segregation of duties, and change management controls are among a large set of controls that have been put into place for the operation of PUA as a result of this comprehensive review.

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**State Agency:** Illinois Department of Employment Security (IDES)  
**Federal Agency:** U.S. Department of Labor (USDOL)  
**Program Name:** Unemployment Insurance Program  
**CFDA # and Program Expenditures:** 17.225 (\$3,984,199,000 for non-COVID)  
**Award Numbers:** Various – see table of award numbers  
**Federal Award Year:** Various – see table of award numbers  
**Questioned Costs:** Cannot be determined  
**Compliance Requirement:** Special Tests and Provisions – UI Program Integrity – Overpayments  
**Finding 2020-024:** Failure to Implement UI Program Integrity and Overpayment Reduction Requirements  
**Type of Finding:** Material Weakness and Material Non-Compliance

**Condition Found:**

IDES did not implement Federal requirements to improve program integrity and reduce overpayments.

The State is required to establish written procedures for: (1) identifying overpayments, (2) classifying overpayments into categories based on the reason the overpayment occurred (i.e. employer error, non-response from employers, beneficiary fraud, etc.), and (3) establishing appropriate methods for following up on each category of overpayment. In establishing these procedures, the State is required to enter into three agreements prior to commencing recoveries. The first agreement permits the State to offset State unemployment insurance (UI) from Federal UI overpayments (Cross Program Offset and Recovery Agreement). The second agreement permits the State to recover overpayments from benefits being administered by another State (Interstate Reciprocal Overpayment Recovery Agreement). The third agreement permits the State to utilize the Treasury Offset Program to recover overpayments that remain uncollected one year after the debt was determined to be due. Additionally, the State is (1) required to impose a monetary penalty (not less than 15 percent) on claimants whose fraudulent acts resulted in overpayments, and (2) prohibited from providing relief from charges to an employer's UI account when overpayments are the result of the employer's failure to respond timely or adequately to a request for information.

During our test work, we noted that while IDES has developed the written procedures relative to overpayments and has entered into the required agreements described in the previous paragraph, the written procedures did not address the requirement to impose a monetary penalty on fraud overpayments. Additionally, we noted the policies do not address the prohibition of providing employers relief resulting from an employer failing to provide timely or adequate information.

**Criteria or Requirement:**

42 U.S.C. 503(a)(11)(A) requires states to impose a monetary penalty (not less than 15 percent) on claimants whose fraudulent acts resulted in overpayment. In addition, 26 U.S.C. 3303(f)(1)(A) prohibits states from providing relief from charges to an employer's UI account when overpayments are the result of the employer's failure to respond timely or adequately to a request for information.

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For the Year Ended June 30, 2020

26 U.S.C. 3304(a)(4)(D) and 42 U.S.C. 503(g)(1) require states to recover overpayments through offset against unemployment compensation (UC) payments. In addition, 42 U.S.C.503(m) requires states to utilize the Treasury Offset Program for overpayments that remain uncollected one year after the debt was determined to be due.

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include procedures to ensure program integrity and overpayment reduction requirements are implemented.

#### **Cause:**

In discussing these conditions with IDES officials, they stated although the 15% fraud penalty was implemented and is supported by Illinois statute, the fraud penalty was not incorporated into existing overpayment procedures due to oversight. Also, IDES had identified a process to implement the prohibition on non-charging due to employer fault and was scheduled to roll it out beginning in March 2020, but the roll-out was deferred by historic claim surges due to the pandemic.

#### **Possible Asserted Effect:**

Failure to implement federal requirements could result in noncompliance with laws, regulations, and the grant agreement.

#### **Repeat Finding:**

A similar finding was reported in the prior year audit as number 2019-063. (Finding Code 2020-024, 2019-063, 2018-052, 2017-053, 2016-061, 2015-056)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IDES develop and implement written procedures to improve UI program integrity and reduce overpayments that incorporate the required monetary penalty on fraud overpayments and prohibit providing relief to employers who fail to provide timely and adequate responses to information requests.

#### **Views of IDES Officials:**

IDES accepts this finding. Written procedures regarding the 15% penalty will be incorporated into established procedure(s) covering overpayments. In CY2021, IDES will implement its identified process on the prohibition of non-charging due to employer fault.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Employment Security (IDES)  
**Federal Agency:** U.S. Department of Labor (USDOL)  
**Program Name:** Unemployment Insurance Program  
**CFDA # and Program Expenditures:** 17.225 (\$3,984,199,000 for non-COVID)  
**Award Numbers:** Various – see table of award numbers  
**Federal Award Year:** Various – see table of award numbers  
**Questioned Costs:** None  
**Compliance Requirement:** Special Tests and Provisions – UI Benefit Payments  
**Finding 2020-025:** Failure to Complete UI BAM Case File Reviews  
**Type of Finding:** Significant Deficiency and Non-Compliance  
**Condition Found:**

IDES did not complete the Benefit Accuracy Measurement (BAM) case file reviews in accordance with USDOL requirements for the Unemployment Insurance (UI) program.

The Improper Payments Elimination and Recovery Act (IPERA) of 2010 codified the requirement for valid statistical estimates of improper payments. State Workforce Agencies (SWAs) are required by 20 CFR section 602.11(d) to operate and maintain a quality control system. The BAM program is USDOL's quality control system designed to assess the accuracy of UI benefit payments and denied claims, unless the SWA is excepted from such requirement (20 CFR section 602.22). The program estimates error rates, that is, numbers of claims improperly paid or denied and dollar amounts of benefits improperly paid or denied, by projecting the results from investigations of small random samples to the universe of all claims paid and denied in a state. Specifically, the SWA's BAM unit is required to draw a weekly sample of payments and denied claims, and to complete prompt, in-depth investigations to determine the degree of accuracy in the administration of the state unemployment compensation (UC) and federal law (20 CFR section 602.21(c)). DOL has promulgated investigational requirements and instructions in its ET Handbook (the Handbook) No. 395, pursuant to 20 CFR section 602.30(a). The Handbook states that for paid cases, a minimum of (1) 70% of cases must be completed within 60 days of the week-ending date of the batch, (2) 95% of cases must be completed within 90 days of the week-ending date of the batch, and (3) 98% of cases for the calendar year must be completed within 120 days of the ending date of the calendar year.

During our test work of paid claims, we noted that IDES did not achieve the required percentage of case reviews within the required timeframes. Specifically, for batch range 201927 – 201952, IDES failed to meet the 90-day time lapse standard of 95 percent complete as only 91.25 percent of case reviews were complete. Further, we noted that IDES did not notify USDOL of the failed case completion percentage requirement nor receive a waiver of the requirement from USDOL.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Criteria or Requirement:**

According to 20 CFR section 602.11(d), State Workforce Agencies (SWAs) are required to operate and maintain a quality control system. In addition, 20 CFR section 602.11(a) requires States provide such methods of administration as will reasonably ensure prompt and full payment of unemployment benefits to eligible claimants, and collection and handling of income for the State unemployment fund, with the greatest accuracy feasible. In addition, according to ET Handbook No. 395, 5th Edition, IDES is required to submit BAM case file data to USDOL when case files are completed.

Further, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

#### **Cause:**

There are only two BAM investigators who are responsible for most of the case reviews. Due to time constraints, leaves of absence, and competing priorities, the investigators were not able to complete the reviews within the required timeframe.

#### **Possible Asserted Effect:**

Failure to complete BAM case file reviews timely prevents the USDOL from effectively monitoring the State of Illinois UI program and results in noncompliance with program regulations.

#### **Repeat Finding:**

A similar finding was not reported in the prior year audit. (Finding Code 2020-025)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IDES review its procedures for completing BAM case file reviews to ensure they are completed in accordance with program regulations. Effective internal controls should include establishing and maintaining adequate controls to ensure the BAM case file reviews are completed in accordance with required timeframes established by USDOL.

#### **Views of IDES Officials:**

IDES accept this finding and has instituted plans to change how we ask for and receive the information. For some time, we have conducted the claimant interview by phone. This helps to limit rebuttals and allows us to get accurate information that may be missing upon sending the questionnaire. Gathering information from the employers has proved to be a challenge at times. We have changed our process to rely more on emails to employers to obtain the required forms. This has proven successful. IDES has created a way for the investigators to show in real time how their case is developing. The use of share point was put in place, but its use was not being enforced. Enforcement began in late 2020.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Employment Security (IDES)  
**Federal Agency:** U.S. Department of Labor (USDOL)  
**Program Name:** Unemployment Insurance Program  
**CFDA # and Program Expenditures:** 17.225 (\$3,984,199,000 for non-COVID)  
**Award Numbers:** Various – see table of award numbers  
**Federal Award Year:** Various – see table of award numbers  
**Questioned Costs:** \$1,440

**Compliance Requirement:** Eligibility

**Finding 2020-026:** *Inadequate Documentation to Support Eligibility Determinations for UI Beneficiaries and Employer Liability*

**Type of Finding:** Significant Deficiency and Non-Compliance

#### **Condition Found:**

IDES did not maintain adequate documentation to support eligibility and employer liability determinations for beneficiaries of the Unemployment Insurance (UI) program.

The UI program administered by IDES provides benefits to eligible individuals that are unemployed and able and available to work. The structure of the Federal-State UI Program partnership is based upon Federal law; however, it is implemented through State law, specifically the Illinois Unemployment Insurance Act (the Act) (820 ILCS 405). IDES has also developed a comprehensive policies and procedures manual available to all employees on their intranet to allow for the consistent and proper administration of the UI program.

During our testing of 65 claimants who received \$71,584 of non-COVID UI benefits, we noted the following exceptions:

- One claimant was flagged for not providing proof of wages to establish monetary eligibility, and the claims investigator did not complete the 500E interview required per IDES policies and procedures to clear the flag. As a result, we were unable to verify if the claimant was monetarily eligible to receive UI benefits. Total UI benefits paid to this individual were \$1,440.
- For the UI benefits paid to the claimant above, IDES could not provide supporting documentation to substantiate the employer charged for the claim was correct. Further, the claims investigator did not follow internal policies to investigate whether the employer held liable for the UI claim was appropriate. As a result, we were unable to verify if the employer charged the UI claim was the liable employer.

IDES' control to ensure the 550E interview process was completed was not operating effectively. UI benefits paid to non-COVID beneficiaries totaled approximately \$3.7 billion during the year ended June 30, 2020.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Criteria or Requirement:**

The Illinois Unemployment Insurance Act requires a claimant to be monetary eligible to receive UI benefits. In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include procedures in place to ensure adequate documentation is maintained to support beneficiary eligibility and employer liability determinations.

2 CFR 200.403 establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments. To be allowable under federal awards, costs must meet certain general criteria. Those criteria require, among other things, that the expenditure be adequately documented.

#### **Cause:**

In discussing these conditions with IDES officials, they stated staff did not follow established procedure.

#### **Possible Asserted Effect:**

Failure to properly document and perform eligibility and employer liability determinations in accordance with internal policy and federal regulations may result in federal funds being awarded to ineligible beneficiaries, which are unallowable costs.

#### **Repeat Finding:**

A similar finding was not reported in the prior year audit. (Finding Code 2020-026)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IDES review its current procedures and consider any changes necessary to ensure eligibility and employer liability determinations are documented and performed in accordance with internal policy and federal regulations, including evidence of review.

#### **Views of IDES Officials:**

IDES accepts this audit finding and will have the regional management team(s) review applicable procedures with staff who perform 500E adjudication, wage affidavits, and referrals for assessment of employer liability. Also, during FY2022, IDES will do random samples of wage affidavits, and of 500E determinations to ensure quality standards are being met and procedures are being followed.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Department of Transportation (IDOT)  
**Federal Agency:** U.S. Department of Transportation (USDOT)  
**Program Name:** Highway Planning and Construction Cluster  
**CFDA # and Program Expenditures:** 20.205/20.219 (\$1,617,404,000)  
**Award Numbers:** Various – see table of award numbers  
**Federal Award Year:** Various – see table of award numbers  
**Questioned Costs:** None  
**Compliance Requirement:** Subrecipient Monitoring  
**Finding 2020-027:** Failure to Review Subrecipient Single Audit Reports and Notify CFDA Numbers  
**Type of Finding:** Significant Deficiency and Non-Compliance  
**Condition Found:**

IDOT did not review single audit reports for subrecipients for the Highway Planning and Construction Cluster (Highway Planning).

The State of Illinois established the Grant Accountability Transparency Unit (GATU) to implement the provisions of the State's Grant Accountability and Transparency Act (GATA) on a centralized basis. GATU has established standardized reporting requirements for subrecipients of the various Federal programs administered by the State through its various departments. Subrecipients of the State are required to certify whether they expended more than \$750,000 in federal awards during the fiscal year and submitted their single audit reporting packages to the Federal Audit Clearinghouse (FAC), if required. IDOT staff are responsible for ensuring single audit reports are received from subrecipients and reviewing the reports to determine the need for issuing management decisions letters (MDL) within required time frames and receiving corrective action plans (CAP).

During our test work, the following was noted with regard to 41 subrecipients:

- Two single audit reports with December 2018 and April 2019 year-ends have not been received.
- Six single audit reports were not received within 9 months of year-end.
- Eight single audit reports included findings that required a MDL, of which 6 were not issued and 2 were issued late.
- Seven of the eight single audit reports required CAPs, of which 4 were late and 3 have not been received.

In addition, we noted IDOT has not established adequate monitoring controls to ensure subrecipient audit reports are reviewed and any management decisions are issued as required by the Uniform Guidance.

Further, IDOT did not provide any notification of assistance living numbers (or CFDA numbers) during fiscal year 2020.

We noted IDOT passed through approximately \$142,935,000 to subrecipients of the Highway Planning program during the year ended June 30, 2020.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Criteria or Requirement:**

2 CFR 200.332(d)(3) requires pass-through entities to issue management decisions for applicable audit findings pertaining to the federal awards provided to the subrecipient. (Note to the reader, 2 CFR 200.332X references were renumbered November 2020 and were previously cited as 2 CFR 200.331X.)

2 CFR 200.303 requires non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure (1) federal awards passed through to subrecipients have been properly included in the subrecipient's single audits, (2) subrecipients expending \$750,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of Uniform Guidance, including that the audits are completed within nine months after the end of the subrecipient's fiscal year end, (3) the subrecipient audit reports are reviewed in a timely manner, and (4) management decisions on reported findings are issued within six months after acceptance of the subrecipient's audit reports by the FAC.

Additionally, all pass-through entities must identify the dollar amount made available under each Federal award and the CFDA number at the time of disbursement per 2 CFR 200.332(a)(1)(xii).

#### **Cause:**

In discussing these conditions with IDOT officials, they stated that due to staffing issues, the resources have not been available to adequately review the single audit reports mentioned in the finding.

In addition, the practice of entering the CFDA number in the description field of the accounts payable system when a subrecipient invoice is entered for payment had not been implemented across all IDOT organizational units.

#### **Possible Asserted Effect:**

Failure to review subrecipient single audit reports in a timely manner could result in federal funds being expended for unallowable purposes and subrecipients not properly administering the federal programs in accordance with laws, regulations, and the grant agreement. Not communicating CFDA numbers can hamper subrecipients ability to correctly prepare their schedule of federal awards.

#### **Repeat Finding:**

A similar finding was reported in the prior year audit as finding number 2019-049. (Finding Code 2020-027, 2019-049, 2018-068, 2017-061)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IDOT establish controls to ensure single audit reports are received timely and to ensure desk reviews are completed and documented in a timely manner to evidence whether MDLs should be issued by IDOT within six months. In addition, we recommend IDOT establish controls to ensure any required CAP is also received. Further, IDOT should add to their warrant description the CFDA number associated with each disbursement.

**STATE OF ILLINOIS**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**Views of IDOT Officials:**

With regard to single audit reviews:

IDOT agrees with the finding. Due to staffing issues in the Bureau of Investigation and Compliance's (BIC) Audit Compliance Unit, the resources have not been available to adequately review the audits mentioned in the finding. BIC is still seeking to fill vacant positions. Two additional auditors were brought in under the auditing services contract which has allowed us to make significant progress with the subrecipient monitoring process; however, we are still adjusting the process in order to ensure all requirements for subrecipient monitoring are performed in a timely manner.

With regard to notification of CFDA numbers:

IDOT agrees with the finding. The Highway Planning and Construction areas will be instructed to include the CFDA number in the description field of related invoices when they are initially entered in the accounts payable system (FOA). This will be an additional entry to the data field already being used for CFDA numbers.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois Emergency Management Agency (IEMA)  
**Federal Agency:** Federal Emergency Management Agency (FEMA)  
**Program Name:** Homeland Security Grant Program (HGSP)  
**CFDA # and Program Expenditures:** 97.067 (\$65,713,000)  
**Award Numbers:** Various – see table of award numbers  
**Federal Award Year:** Various – see table of award numbers  
**Questioned Costs:** None  
**Compliance Requirement:** Subrecipient Monitoring  
**Finding 2020-028:** Inadequate Review of Single Audit Reports  
**Type of Finding:** Significant Deficiency and Non-Compliance  
**Condition Found:**

IEMA did not adequately review single audit reports received from its subrecipients for the Homeland Security Grant program on a timely basis.

The State of Illinois established the Grant Accountability Transparency Unit (GATU) to implement the provisions of the State's Grant Accountability and Transparency Act (GATA) on a centralized basis. GATU has established standardized reporting requirements for subrecipients of the various Federal programs administered by the State through its various departments. Subrecipients of the State are required to certify whether they expended more than \$750,000 in federal awards during the fiscal year and submitted their single audit reporting packages to the Federal Audit Clearinghouse (FAC), if required. IEMA staff are responsible for ensuring single audit reports are received from subrecipients and reviewing the reports to determine the need for issuing management decisions letters (MDL) within required time frames and receiving corrective action plans (CAP).

During our review of a sample of 7 subrecipient single audit desk review files, we noted IEMA did not issue management decisions for 3 subrecipients' reported findings within 6 months of acceptance of the single audit report by the FAC as required nor require a CAP. IEMA passed through approximately \$61,958,000 to subrecipients during the year ended June 30, 2020. In addition, during fiscal year 2020 IEMA did not have a dedicated individual to monitor subrecipients single audit reports and the issuance of MDLs and/or CAPs.

#### **Criteria or Requirement:**

2 CFR 200.332(d)(3) and 2 CFR 200.521 state that a pass-through entity is required to issue a management decision on audit findings within six months of acceptance of the audit report by the FAC and ensure that the subrecipient takes timely and appropriate corrective action on all audit findings. (Note to the reader, 2 CFR 200.332X references were renumbered November 2020 and were previously cited as 2 CFR 200.331X.)

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

#### **Cause:**

In discussing these conditions with IEMA officials, they stated that the magnitude of two federally declared disasters during the audit period, reassignment of staff for the response and recovery efforts, and limited ability to augment agency headcount contributed to the delayed audit reviews.

#### **Possible Asserted Effect:**

Failure to obtain and review subrecipient single audit reports in a timely manner could result in federal funds being expended for unallowable purposes and subrecipients not properly administering the federal programs in accordance with laws, regulations, and the grant agreement.

#### **Repeat Finding:**

A similar finding was reported in prior year audit as finding number 2019-053. (Finding Code 2020-028, 2019-053)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend IEMA to establish procedures to ensure: (1) subrecipient single audit reports are obtained and reviewed within established deadlines, (2) management decisions are issued for all findings affecting its federal programs in accordance with the Uniform Guidance, and (3) follow up procedures are performed to ensure subrecipients have taken timely and appropriate corrective action.

#### **Views of IEMA Officials:**

IEMA has taken immediate action to rectify the late issuance of MDLs. IEMA agrees the three subrecipient audit report reviews and the issuance of management decision letters (MDLs) were untimely. IEMA will formalize internal procedures to ensure single audits are reviewed and MDLs are issued timely. IEMA has hired two employees, a contractual employee, and a full-time employee, to review subrecipient single audits, review corrective action plans, issued MDLs and follow-up on audit findings to ensure they are resolved.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

**State Agency:** Illinois State Board of Education (ISBE)  
**Federal Agency:** U.S. Department of Education (USDE)  
**Program Name:** Special Education Cluster (IDEA)  
**CFDA # and Program Expenditures:** 84.027/84.173 (\$549,891,000)  
**Award Numbers:** Various – see table of award numbers  
**Federal Award Year:** Various – see table of award numbers  
**Questioned Costs:** Cannot be determined  
**Compliance Requirement:** Subrecipient Monitoring  
**Finding 2020-029:** *Inadequate Monitoring of Special Education Subrecipients*  
**Type of Finding:** Material Weakness and Material Non-Compliance  
**Condition Found:**

ISBE did not perform adequate monitoring procedures over subrecipients of the Special Education Cluster (IDEA) (Special Education) program.

ISBE selects subrecipients of certain USDE programs to perform on-site fiscal and administrative monitoring procedures using a risk-based approach. ISBE's risk assessments are based on the funding level received by the entity, the financial status, the improvement status, any past audit findings, and the type of entity. Once the higher risk subrecipients are selected for monitoring, ISBE selects programs and individual locations within each subrecipient for additional reviews which may consist of on-site reviews, desk reviews, or analytical procedures.

During the year ended June 30, 2020, ISBE's programmatic monitoring procedures only included requirements pertaining to the Title I and Title II federal programs, as well as select fiscal requirements applicable to certain federal programs. Accordingly, program requirements pertaining to the Special Education program were not included in the on-site reviews, desk reviews, or analytical procedures performed for ISBE's higher risk subrecipients during the year ended June 30, 2020. ISBE has represented that certain monitoring procedures were performed however the procedures are not correlated with the risk assessment nor consistently applied to the subrecipients based on risk ratings.

In addition, ISBE did not establish adequate controls to ensure its subrecipient risk assessment procedures properly addressed each of ISBE's federal programs as required by the Uniform Guidance.

ISBE's payments to subrecipients of the Special Education program during the year ended June 30, 2020 totaled \$535,716,000.

## STATE OF ILLINOIS

### Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2020

#### **Criteria or Requirement:**

According to 2 CFR section 200.332(d), a pass-through entity must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations and the terms and conditions of the subaward, and that the subaward performance goals are achieved. According to 2 CFR section 200.332(b), a pass-through entity must evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward. (Note to the reader, 2 CFR 200.332X references were renumbered November 2020 and were previously cited as 2 CFR 200.331X.)

Additionally, 2 CFR 200.303 requires non-Federal entities receiving Federal awards to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include implementing the risk assessment procedures required by the Uniform Guidance and ensuring adequate monitoring procedures are performed for subrecipients.

#### **Cause:**

In discussing these conditions with ISBE officials, they indicated revised risk assessment procedures and related documentation were still being formalized during fiscal year 2020.

#### **Possible Asserted Effect:**

Failure to execute approved risk assessments such that program monitoring is performed based on the risk assessment could result in subrecipients not properly administering the federal programs in accordance with laws, regulations, and the terms and conditions of the award.

#### **Repeat Finding:**

A similar finding was reported in prior year audit as finding number 2019-041. (Finding Code 2020-029, 2019-041, 2018-042, 2017-041)

#### **Statistical Sampling:**

The sample was not intended to be, and was not, a statistically valid sample.

#### **Recommendation:**

We recommend ISBE execute the Special Education risk assessment and perform the program monitoring as denoted in the risk assessment.

#### **Views of ISBE Officials:**

ISBE agrees with the finding. The LEA performance on compliance indicators included in the LEA Determinations served as the foundation for the risk-based approach in FY20 in determining those higher risk subrecipients in need of further monitoring and support. The special education risk-based accountability and support system being developed for FY21 expands the factors considered for determining higher risk subrecipients under LEA Determinations by using both compliance and results (outcomes) indicators.

**STATE OF ILLINOIS**  
**Schedule of Findings and Questioned Costs**  
**Table of Award Numbers**  
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**Name of Federal Program or Cluster (CFDA #):**

**SNAP Cluster (10.551/10.561):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>			
2018IQ390342 (2018)	2019IS251442 (2019)	2019IS251942 (2019)	2019IS252042 (2019)
2019IQ390342 (2019)	2019IQ750342 (2019)	2019IS803642 (2019)	2020IS251442 (2020)
2020IS251942 (2020)	2020IS252042 (2020)	2020IQ750342 (2020)	2020IS802642 (2020)
2020IS803642 (2020)			

**Crime Victim Assistance (16.575):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>		
2016-VA-GX-0027 (2016)	2017-VA-GX-0048 (2017)	2018-V2-GX-0070 (2018)

**Employment Service Cluster (17.207/17.801/17.804):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>	
DV328881955517	ES-31845-18-55-A-17
ES-30986-17-55-A-17	ES-33391-19-55-A-17

**COVID - 19 - Unemployment Insurance (17.225):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>	
UI-27860-16-55-A-17	UI-34056-20-55-A-17
UI-31291-18-55-A-17	UI-34494-20-60-A-17
UI-32597-19-55-A-17	UI-34713-20-55-A-17
UI-32837-19-60-A-17	

**COVID-19-Coronavirus Relief Fund (21.019)**

<b>Award Number (Federal Fiscal Year/Award Year)</b>
no award number (2020)

**Special Education Cluster (IDEA) (84.027/84.173):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>			
H027A170072 (2017)	H173A170101 (2017)	H027A180072 (2018)	H173A180101 (2018)
H027A190072 (2019)	H173A190101 (2019)		

**Immunization Cooperative Agreements (93.268):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>
1-NH23IP922637-01-00 (2020)

**Temporary Assistance for Needy Families Cluster (93.558):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>	
1902ILTANF (2019)	2002ILTANF (2020)

**Child Support Enforcement (93.563):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>			
1604ILCEST (2016)	1704ILCEST (2017)	1901ILCSES (2019)	1901ILCEST (2019)
2001ILCSES (2020)	2001ILCEST (2020)		

**CCDF Cluster (93.575/93.596):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>	
G1901ILCCDF (2019)	G2001ILCCDF (2020)

**Foster Care - Title IV-E (93.658):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>	
1901ILFOST (2019)	2001ILFOST (2020)

**Adoption Assistance (93.659):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>	
1901ILADPT (2019)	2001ILADPT (2020)

**Social Services Block Grant (93.667):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>		
G1801ILSOSR (2018)	G1901ILSOSR (2019)	G2001ILSOSR (2020)

**Children's Health Insurance Program (93.767):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>		
1805IL5021 (2018)	1905IL5021 (2019)	2005IL5021 (2020)

**Medicaid Cluster (93.775/93.777/93.778):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>			
1905IL5ADM (2019)	1905ILINCT (2019)	1905ILIMPL (2019)	1905IL5MAP (2019)
2005IL5ADM (2020)	2005ILINCT (2020)	2005ILIMPL (2020)	2005IL5MAP (2020)

**Block Grants for Prevention and Treatment of Substance Abuse (93.959):**

<b>Award Number (Federal Fiscal Year/Award Year)</b>		
2B08TI010018-18 (2018)	2B08TI010018-19 (2019)	2B08TI010018-20 (2020)

**Homeland Security Grant Program (97.067)**

<b>Award Number (Federal Fiscal Year/Award Year)</b>			
EMW2016SS0014 (2016)	EMW2017SS0051 (2017)	EMW2018SS00020 (2018)	EMW2019SS00003 (2019)

**STATE OF ILLINOIS**  
**Schedule of Findings and Questioned Costs**  
**Table of Award Numbers**  
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**Highway Planning and Construction Cluster (20.205/20.219):**

Project Number												
0000100	0101054	0531001	1P96275	4003164	5068028	6WP6603	AILH002	EQS8686	IDVM264	MU65437	SBUQ223	WAIU248
0005056	0101057	0541015	1PJB019	4003172	5068031	6XUJ485	AJOU266	ER54094	IDVP089	MVLN897	SCB2239	WDOU038
0005128	0102111	0551084	1Q7C061	4003180	5071012	6XWB631	AKRA156	ER8W032	IDYP407	MVME817	SDDB038	WDDJ631
000S176	0103070	0553160	1Q9S121	4003188	5086006	6YVJ777	AKUH865	ETXF792	IEBV901	MW7B995	SFEN566	WEF5172
000S658	0103078	0556246	1RCB895	4003201	5093136	6ZPI058	AMP871	ETYM738	IENL631	MX0G334	SFHJ115	WEYZ738
000S703	0104021	0557300	1T5H720	4003204	5093171	6ZTV883	ANAK677	EUEJ629	IFDF756	MX3I058	SGQN080	WFVY610
000S895	0109064	0559009	1TA1046	4003216	5099070	6ZVN096	ANMK105	EUQD541	IFJIS17	MYGT162	SH8B742	WFYI330
000S926	0111059	0559107	1U3Y414	4003226	5099071	7006827	ANNI081	EVL1467	IGHB869	MZTC794	SJNL176	WG67437
000S940	0111060	0574300	1U8S680	4003233	5099112	7039890	ANZI122	EWF849	IHD705	MZY2554	SJZX785	WIWQ867
000S942	0111067	0575198	1V12645	4003237	5099115	704L632	APHW519	EWQ6252	IHH91219	N1NR397	SKA4A039	WJEP710
000S946	0111069	0577309	1V1P159	4003246	50H4804	70E2038	APIS438	EWS6611	IHXI536	N2E5161	SKK8956	WKG237
000S947	0112033	0577410	1W99888	4003248	50NU970	74NU207	APUT950	EWUI480	IIBY899	N327693	SKW1917	WLUF999
000S955	0116059	0591027	1WDX432	4003254	5109325	74PD156	AQ8E917	EX13479	IJHT478	N3YG292	SLAZ931	WMT4428
000S959	0116060	0591028	1XGN916	4003262	5146091	74T6949	AQC2446	EXLE581	IK0F397	N43R807	SLGR785	WN4N103
000S961	0116061	0591029	1YVZ521	4003263	5146096	75A2177	AQA875	EY5W609	IKG2493	N52F139	SMMZ455	WPE6555
000S962	0117080	0591030	1ZCT618	4003269	5181053	75NJ010	AS19155	EYFV096	IKK5567	N5R4572	SMNS910	WQG6019
000S983	0129029	0592053	1ZHM574	4003275	5181054	76PT131	AS8B636	EYJB594	IL08031	N5R5641	SP7H443	WQTU728
000S990	0129030	0595033	2011013	4003302	5227058	7706005	AS8E832	EZFS264	IL09045	N60I501	SPUI637	WR9Z018
000V002	0129031	0595034	2012001	4003307	52XV475	77XX432	ASMI291	F03L468	IL10001	N60V808	SQ2M738	WS41439
000V006	0140004	05E2122	2013055	4003326	534X858	7810001	AT8C874	F0LK303	IL12006	N6MY382	SQKM357	WSDN326
000V008	0141077	05WX268	2014014	4003334	53W1019	7825008	ATAF508	F0U3001	ILU4941	N6UM475	SRKT172	WTX0370
000V010	0143063	0604026	2014015	4003336	54IP860	7880112	AUA8A21	F0Y5138	IP3I156	N6Y4340	SRTV469	WU70374
000V030	0143064	0607081	2014018	4003338	5554706	78FE386	AUSQ696	F1DN391	IPRP270	N7US362	SRXQ532	WUJH517
000V033	0147067	0607084	2015013	4003340	55AQ109	78S5994	AWWS157	F1JH812	IQ94443	N859116	STP3961	WUKY864
000V039	0165033	0612018	2015014	4003346	55W7525	78VV775	AXG7828	F1U5430	IT4K439	N8C1095	SUB5565	WVJH528
000V051	0167082	0623034	2015015	4003350	55ZT534	7972006	AYEG405	F25F265	IT8C467	N8GD006	SVP2110	WW45397
000V057	0170020	0626010	2015016	4003353	56Y9553	79LH928	AZG4161	F2Q2743	ITEG556	N9AS205	SXWD442	WW9F239
000V063	0178550	0652581	2015017	4003368	57LP223	79RI293	AZK2774	F3C8070	ITM6788	NA88822	SYBM165	WWJR010
000V064	0188122	0656014	2016002	4003370	57T7359	79VA217	B0GM434	F4WR928	IVJM166	NAG1733	SYJH888	WWSG455
000V072	0197119	0656114	2016006	4003373	581H400	7ATN788	B0VX431	F54Y270	IVSM998	NAHP655	SYSX445	WX9B939
000V075	0197125	0658027	2016007	4003382	58C8400	7BUZ382	B1GJ266	F5U0550	IWEI308	NGEY468	SZC4003	WUJ747
000V078	0197129	0658028	2016008	4003383	58DV799	7BV4258	B2Q6246	F612086	IXET751	NGYS143	SZYL806	WXNR087
000V079	0197134	0661009	2016009	4003384	5C47273	7CSR213	B3OZ288	F779769	IXWB505	NHN4655	SZZX622	WXYF408
000V081	0197137	0662071	2016100	4003390	5CCD490	7DJ3110	B3FU291	F85A908	IY60358	NK2T212	T03P098	WY1B824
000V083	0197141	0665016	2081100	4003391	5CLR026	7DWC672	B48R938	F8R5275	IZA4317	NLZX856	T086999	WY2A427
000V084	0199022	0668006	20M0205	4003392	5CM1168	7E21644	B4QU678	F99X455	IJCJ221	NM6L269	T0K1586	WZPE199
000V088	01BK833	0668008	2137001	4003397	5D4E092	7EB4065	B5AU458	F9CN602	IZNC681	NMMI544	T1GQ602	X00D521
000V089	01D1002	0669034	215L185	4003410	5DBD085	7HDZ456	B5IU364	F9IE808	J1KK904	NMYM658	T1UI050	X17C615
000V092	01D1006	0669037	220K545	4003437	5E3W716	7HLL686	B5K9041	F9K4025	J2LG262	NPRF074	T3A7827	X1M3255
000V093	01D1009	0681048	22YC889	4003445	5E9H411	7IEF234	B5RU721	FAP6281	J4VJ485	NQB1400	T3U1602	X2F2133
000V096	01D1010	0682012	23Z1478	4003450	5FFT090	7HX9070	B7EF776	FBG6486	J631774	NQMG850	T54V966	X379433
000V097	01D1012	0685031	2401103	4003452	5HGD022	7JCZ302	B7UE497	FBG0207	J70Y562	NRHT407	T5AS406	X39N298
000V098	01D1015	0686113	2428001	4003463	5HI6323	7KAM117	B7ZG516	FBGR420	J711634	NSA6276	T6D9393	X3D8441
000V100	01D1023	0698037	2484108	4003475	5I3Z625	7KH9868	B89L558	FBUW189	J8E4222	NSDE740	T6PN079	X3D1029
000V101	01D1024	0698050	2503019	4003483	5IFG411	7KWW291	B8IP980	FBYL491	J8GR100	NSJV793	T71T135	X3PQ005
000V103	01D1026	06G0764	25HE161	4003492	5JAW527	7QE8915	B8RT752	FC1Z714	JBSF319	NSNX829	T8DG792	X4E1497
000V106	01D1031	06K8M59	25Z6587	4003493	5JVD162	7THH029	B94U416	FC28702	JCKZ724	NU8T693	T9ME979	X5Z2290
000V107	01D1033	0702050	2600105	4003497	5KJM278	7UH0217	B9D1377	FDL1192	JD8E119	NULV804	TA3U490	X5CP010
000V110	01D1039	0704143	2626005	4003499	5L60161	7VGG978	B9NC139	FEH1155	JEPJ794	NUPC857	TA4W300	X5DV061
000V112	01D1044	0717034	2631307	4003507	5MR8355	7W27859	BBTE883	FEMA410	JFZA133	NV8C954	TAXV277	X5YV427
000V113	01D1047	0719110	2688005	4003508	5MZC407	7WRV005	BC9H360	FFS1675	JGE4887	NWQA467	TB1I693	X6CH065
000V114	01D1052	0730023	2704300	4003515	5N8Z028	7XGM102	BDF3494	FFUA046	JHG0345	NX0U452	TBH7877	X6MG234
000V117	01D1053	0732153	2713799	4003521	5P9F515	7XVY242	BE81324	FGMV182	JHP9493	NX33575	TBMF281	X7ZP424
000V118	01D1058	0734046	2720102	4003538	5Q06577	7YJB792	BGBF360	FGZX019	JI0K097	NXMT129	TBYU503	X8AR278
000V119	01D1059	0742136	2742007	4003543	5Q2R535	7YVB295	BGVZ391	F1G6600	J16X647	P1M5154	TC02831	X91E540
000V120	01D1063	0742137	2744003	4003545	5Q6F305	8003160	BHQ6486	FINH716	J1XS595	P2XH285	TC4M577	X9JX838
000V121	01D1064	0745305	2753005	4003555	5RPA310	8012014	BIK6631	FJ8K596	J1UH353	P35W109	TCS3711	X9K3265
000V122	01D1067	0752100	2791066	4003559	5SXD991	80JT167	BINA798	FJAA330	JK71976	P3N3274	TD37658	XA04258
000V123	0216105	0756103	2803103	4003560	5TKA826	80TB132	BIX2356	FJZY701	JKA6688	P3T5466	TDSE581	XB4W707
000V124	0223002	0762009	2820004	4003569	5U5L489	821G050	BK15046	FK4W297	JL03126	P4AD126	TE8R484	XBSS697
000V125	0226102	0776031	2840001	4003572	5UGN186	82LD037	BK4A113	FKAK672	JM2Q072	P4SF431	TEFP087	XBVD742
000V126	0242115	0777116	2857009	4003573	5VL5240	83GC689	BKMI299	FLAP014	JMYR660	P6N5924	TH35673	XBZD085
000V127	0247109	0781035	2857012	4003579	5Y14923	83TD397	BKV6724	FLAP015	JNU1978	P78Y773	THWT429	XC1X620
000V129	0255400	0782121	2857013	4003581	5ZHJ528	8521194	BMI9797	FLTI993	JPEF565	P7VB096	TJFY216	XC22884
000V131	0255404	0788006	2870001	4003583	5ZIU018	87NW408	BN35431	FN6V073	JQEZ877	P8K6172	TJQZ898	XD6E858
0010081	0255405	0793023	2905001	4003585	5ZMU898	87NZ832	BN4M268	FN7L032	JQZ4604	P8W4209	TKBE918	XD9Z971

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**Highway Planning and Construction Cluster (20.205/20.219):**

Project Number												
0000100	0101054	0531001	1P96275	4003164	5068028	6WP6603	AILH002	EQS8686	IDVM264	MU65437	SBUQ223	WAIU248
0015045	0290201	0793024	2906006	4003593	6000100	88EQ673	BNGA421	FNVJ697	JRFU653	P8YD085	TLA1076	XDAR838
0015050	0297004	0799003	2913003	4003598	6000108	8926686	BNSK220	FP7W801	JS74462	P905229	TLNC008	XDKR465
0015054	0297007	0800013	2943022	4003616	6000133	89Z5088	BR78203	FPF5007	JSKJ375	P9CG353	TMHZ358	XELQ416
0017131	0297025	0804195	2969217	4003627	6000181	8AWD816	BRKT249	FPJV789	JTIP027	P9UP227	TMSR013	XETS664
0017132	02J9244	0809105	2917322	4003630	6000193	8BYU384	BRTV077	FR1B958	JU5C829	P9Z5634	TMXM056	XF00566
0017222	02VH275	0821047	2AVR084	4003632	6000207	8CSU883	BTX561	FRAR804	JVGZ292	PABS284	TPQ0367	XG1Q992
0018300	0303056	0821049	2B33070	4003633	6000213	8CWV777	BUB8267	FRAZ587	JVQP474	PCS5943	TPN6107	XG5E543
0019133	0303060	0821050	2CCI757	4003650	6000255	8D29326	BY45041	FRT9768	JW2N913	PCK8429	TRGK755	XG9I700
0020063	0304051	0821051	2CUE153	4003654	6000264	8DBB338	BYBP708	FSR1414	JW8A237	PD9N195	TRTJ747	XGUD791
0020079	0305049	0821052	2DA2122	4003672	6000266	8DCG107	BZXY184	FTGK359	JWN6747	PDX3462	TSQ4946	XHE4442
0020080	0305999	0824014	2E6T905	4003673	6000267	8EKK831	C0NZ370	FW77564	JX1V571	PEA2247	TSKZ069	XHLS765
0020081	0307039	0840071	2GQ5480	4003676	6000269	8HER341	C0WU521	FWND995	JYHN107	PECJ583	TTMA819	XHIA083
0021070	0308048	0840072	2HI5466	4003677	6000272	8HT8430	C0YR728	FWYC305	JYJ1331	PFL796	TVD0899	XJ1Y044
0021071	0310145	0840073	2IJI431	4003678	6000274	8IQ3195	C13D332	FX3T572	JZ17856	PFV3281	TVKD470	XJW7005
0021181	0311046	0841015	2K0A907	4003684	6000275	8JPR951	C22Y500	FXLP642	JZ3B673	PGGY853	TW73855	XJWZ831
0026003	0311049	0841016	2KZY942	4003688	6000276	8KDI914	C2IU841	FY4C714	JZG0324	PHCD258	TZE1290	XK1V280
0029205	0311051	0846027	2L46977	4003725	6000280	8LIC868	C2QU008	G1QI411	JZKB780	PHGK424	UI1R477	XK94947
0034030	0312043	0849015	2MID727	4003729	6000298	8MJT436	C2Y8640	G2LT125	JZP3755	PHWE465	U197439	XKCC7254
0035047	0313009	0853012	2MU9571	4003730	6000301	8Q8J509	C37W680	G2U3718	K195008	PHYV585	U1BG201	XKHT112
0037130	0313023	0858101	2QUE756	4003744	6000302	8QQ3941	C3E2784	G3U3016	K4L5108	PJ6K322	U1CX919	XL2P948
0042108	0315067	0858300	2S1A443	4003753	6000307	8QWB066	C3RA513	G4BQ794	K5XZ496	PK8Q127	U1YY878	XLVT884
0043032	0316041	0861023	2VY2662	4003757	6000308	8QYU082	C4TL904	G4DQ565	K7YH800	PKDA808	U2AC6878	XNLJ873
0043033	0321015	0870015	2W4R936	4003764	6000311	8R51080	C5MK334	G4U1940	K88U500	PKJE161	U2AS458	XNYE279
0049158	0322096	0870017	2WU7867	4003777	6000316	8RAI788	C5XQ354	G75F740	K9HE081	PKJM437	U2M9501	XPHZ167
0053100	0322108	0870018	2WWQ001	4003782	6000317	8RL1683	C95J741	G7T3407	KA6Q523	PKNS546	U37M517	XPLQ704
0055410	0322111	0877015	2XUR867	4003788	6000320	8TL9832	C9A7314	G8HV791	KALA883	PKU1100	U4NC979	XPV5974
0055450	0323033	087J534	2ZE6781	4003792	6000323	8TYD252	C8BX713	G9LG501	KB5R407	PKWL494	U987171	XQU5427
0055452	0324022	0885053	3000045	4003798	6000325	8TZ9371	CBCZ071	GA3Q235	KBD9822	PL0H466	U9FQ045	XR33393
0055455	0326088	0887111	3000050	4003808	6000347	8U92065	CB07068	GDCW566	KEBU622	PQGL385	UA2T159	XR6R307
0055458	0326090	08Y6206	3000052	4003809	6000349	8VIY737	CD30752	GELT883	KENY416	PQVF554	UA5K665	XRLL074
0055459	0326093	0907106	3000054	4003812	6000350	8XT6182	CDFR332	GFAF273	KEQG103	PREY875	UABR598	XSDX867
0055460	0326097	0963001	3000055	4003819	6000352	8X5K365	DSFH176	GFT7384	KFBM600	PT7R411	UADT679	XJUN924
0055461	0326098	09IL001	3000073	4003828	6000353	8Z77544	CJDX821	GH3S440	KFIG965	PT89144	UBQH364	XVNB231
0055475	0326099	0BZY928	3000080	4003835	6000355	8Z71123	CKXA940	GHM1911	KFX4316	PTB4661	UBY6205	XVP4996
0057039	0326100	0CCX200	3000081	4003844	6000356	9003005	CLLH532	GHSR655	KGG5618	PTZ1126	UD90252	XWCA111
0057100	0327062	0CTN953	3000088	4003850	6000358	9003018	CMXN825	GIGY178	KH13442	PW2V306	UDAU932	XXPG375
0057306	0327064	0CVC928	3000098	4003860	6000359	9003064	CPLW530	GJ4D939	KH8S128	PKWG620	UDS8288	XXT0875
0057309	0327065	0CYF044	3000109	4003874	6000360	9003076	CRSH033	GKBV860	KHEE555	PYP4563	UE5N840	XY6D553
0057312	0328035	0DL7983	3000110	4003875	6000363	9003111	CRWD755	GKF1618	KIIS775	Q17U474	UECH159	XY26688
0057403	0330069	0DY8782	3000111	4003877	6000364	9003119	CSVN310	GLCC545	KJU1847	Q1UZ057	UF4L856	XZ9U998
0057404	0330070	0EJU051	3000112	4003879	6000365	9003202	CT03838	GLF9811	KKGI625	Q26M384	UF5W865	XZG8943
0057406	0330073	0FHX163	3000113	4003887	6000366	9003260	CUQI262	GMT6178	KU01594	Q27Y978	UL2L373	XZRX250
0058004	0330074	0FS6496	3000114	4003895	6000367	9003267	CV5E168	GMWH690	KMQU815	Q2D2695	UI8R721	Y16K524
0064403	0330075	0H4A878	3000117	4003896	6000368	9003273	CWL2938	GMXU746	KN5S348	Q320180	UI98917	Y1YJ659
0064405	0330076	0HWR156	3000118	4003903	6000369	9003451	CWLQ560	GN3F032	KNL4563	Q375582	UISY796	Y39E529
0067085	0330077	0J51301	3000120	4003922	6000370	9003464	CZUR056	GNN5203	KPIZ541	Q82A054	UJNT553	Y4TH575
0067086	0330078	0JZ0838	3000121	4003972	6000373	9003510	CXTF466	GNVY782	KPXC594	Q8QM489	UKCH797	Y4ZF683
0067158	0330079	0MD1854	3000122	4009082	6000375	9003543	CZW9791	GNPK168	KRFH648	Q9KU300	UKII257	Y5FU308
0067163	0330080	0MSU054	3000123	4009222	6000376	9003658	D04I018	GQ2P886	KSZC240	Q9Z5435	UKLM782	Y61B796
0067164	0330176	0PEA712	3000125	4009308	6000377	9003698	D0AD595	GQFF032	KUF9629	QA97278	UKUA050	Y65L694
0068115	0331068	0PQD341	3000130	4009318	6000385	9003710	D0T5022	GQPR171	KUUW642	QA9X020	ULF1316	Y6PD278
0070027	0331073	0Q8Y536	3000137	4009332	6000386	9003711	D24J379	GRR3253	KV17884	QKQZ237	ULRU103	Y6SU567
0070030	0331074	0RSE318	3000138	4009335	6000394	9003722	D28N887	GS0F547	KV3Y626	QCNG046	UN18903	YBLF307
0070047	0331075	0TSY058	3000141	4009342	6000399	9003727	D31K490	GS27524	KVMG444	QDF8241	UNBK521	YCS6433
0070405	0332092	0TPN995	3000142	4009360	6000401	9003728	D3XD048	GSC7508	KW2Y406	QFC2674	UNKJ054	YCSH559
0071056	0332119	0UFS035	3000143	4053001	6000404	9003745	D45L794	GT2P338	KYFS697	QH5R337	UPHN104	YCYR424
0071068	0332127	0V02881	305M000	4053004	6000405	9003751	D48W807	GTJB857	KYQW985	QHUC973	UPXU748	YD9C562
0074309	0332129	0VOM151	3155786	4074001	6000408	9003759	D5NP319	GTK9228	KZNF692	QHYZ134	UQ8T715	YDVW637
0074315	0334027	0V54206	3163002	4086004	6000413	9003800	D76D167	GUEE465	KZXY470	Q14M212	UR3X855	YEGG044
0074316	0335020	0V57283	31H8352	4096001	6000418	9003835	D8L5738	GUPA306	L0HM568	QIHB040	UR76656	YEBR117
0074320	0335021	0VME796	32CC807	40FA920	6000422	9003840	D9BN988	GUSL743	L186100	QIK3554	URK8664	YHB3683
0074321	0336031	0WR2087	32I9898	40SF142	6000426	9003855	D9L0890	GYQC909	L2IE882	QKPV661	URNE679	YHK6357
0074322	0338049	0WSW367	32KM542	4108001	6000428	9003870	DAE4736	GZFT566	L3HA094	QL4M129	URPK433	YI0X436
0074324	0338055	0WWG831	3338215	41SB138	6000434	9003894	DAXS700	H01K139	L3JG391	QL98990	USLS372	YICH930
0074326	0338056	0XQM889	3509001	41TS116	6000435	9003895	DB7C904	H058253	L5Q1041	QLHV207	UTLN716	YITF606

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Project Number												
0000100	0101054	0531001	1P96275	4003164	5068028	6WP6603	AILH002	EQS8686	IDVM264	MU65437	SBUQ223	WAIU248
0075156	0338059	0YGC407	3512013	41ZS517	6000438	9003896	DBR2180	H0XE119	L7EW225	QLUE009	UUA9645	YJTA949
0075182	0338075	0ZLU383	3513002	435X662	6000440	9003923	DC9E666	H10C072	L9NC879	QMTB653	UWAZ733	YK7Q499
0080407	0339035	0ZM1850	3514010	438H802	6000443	9003931	DCK8437	H1JX105	LA46061	QPXD678	V012354	YKYJ472
0080408	0341025	0ZN7728	3519002	439R869	6000453	9003948	DESX784	H20C085	LBBW388	QQWS996	V02M043	YLLG343
0080411	0341035	1149102	3533002	43PC517	6000458	9003955	DEBN330	H54Y893	LCCT292	QR92242	V105888	YLSG037
0088021	0341059	11Z6771	3537006	44DP185	6000460	9003990	DEF2352	H5L2974	LDUW664	QS6W150	V1RV937	YMIEO98
0089126	0341060	1279114	3545008	45Y1898	6000461	9003992	DFK0929	H5LE048	LE7A568	QSLK578	V1XD878	YPIW899
0089143	0341061	1282002	354T405	47RX892	6000463	90JD279	DGVU840	H5NW429	LFTI404	QTWA142	V26N417	YP7C094
0089170	0341062	12ZV342	3561001	4A87854	6000464	9128005	DHHV427	H641283	LFW8116	QTWE971	V3IH705	YQ35110
0089181	0343021	1313002	3565005	4AL3831	6000465	94Z2516	DHIF586	H6BY634	LFZJ134	QV9E842	V3NH003	YQ6N428
0090400	0343024	1321022	3565006	4BB7623	6000469	9525468	DRH8671	H7KT052	LG1N659	QVA2754	V4SH053	YQCJ822
0090401	0343028	1323001	3565007	4BB7944	6000472	955F217	D15X017	H84D514	LGMW759	QWEG442	V4UD632	YQWU592
0090403	0343029	1332016	3589001	4BCY445	6000475	96DS208	DIFF884	H8BD385	LGYL394	QWNZ061	V4WY432	YRP3905
0090404	0343039	1364003	3649433	4BU1444	6000476	96N6732	DINA841	H8F2814	LHM0672	QWQH054	V5X4063	YRTZ879
0093015	0343042	1386005	36X0087	4CZU043	6000477	97HA952	DJN2325	HA0V182	LHW1328	QX2K199	V5XM280	YSAL570
0094403	0344058	1386102	3730004	4D9R018	6000478	97ID676	DRJ1365	HAEP063	LJ7U533	QXFR868	V6D3665	YURA102
0094406	0344059	1387108	3730005	4DAM009	6000481	9A65879	DLJV387	H4JZ351	LJIE900	R1PL364	V6ER223	YWST300
0094408	0344063	1405002	3778002	4E3T009	6000482	9ACN091	DLRT473	HBC3683	LKEK984	R21Z613	V7IL961	YXFW601
0094409	0344064	1459002	37K9673	4EWZ067	6000483	9F21896	DMSM654	HBDZ807	LL0Q886	R3UG447	V7ZC112	YXXM810
0094410	0345059	1519005	3887004	4F71733	6000484	9F62327	DN0U341	HCSN359	LLB6445	R40B038	V8JV868	YXNE543
0097035	0345060	1527034	3887008	4FN5197	6000488	9FGX287	DNIX091	HCVB014	LLFU387	R444878	V8NL070	YYJ2634
0097042	0345062	1527037	3887011	4GE2418	6000490	9JD6707	DP58459	HDFD289	LM44600	R49T509	V91T286	YYL9804
0099051	0345064	152R862	3902003	4HPT088	6000491	9JTD912	DSI6062	HF60663	LMG2791	R4FF212	V91Z500	YYZ1814
0099054	0346019	1538100	39D6751	4IGF401	6000492	9JWU998	DSSS338	HFTF463	LMGX508	R4JF426	V985178	YZHC804
0099057	0347028	1541002	39ES582	4IPS181	6000493	9LAG263	DU9U218	HGM4021	LNJI856	R5FC843	V9Q0562	Z17R922
00D1763	0347030	1574002	39JA266	4KCS772	6000501	9Q6J306	DUBQ820	HGSH403	LPRY820	RAA2873	V67H580	Z1X9720
00D1833	0347032	1581006	39SJ334	4KFT368	6000502	9R4K984	DW88561	HHTX784	LPSB693	RAK7796	VC71125	Z2W0420
00D1840	0347033	1583003	39WN177	4LHB618	6000503	9SBX149	DWH1242	HILS183	LPYF801	RASA480	VCR7022	Z398044
00D1850	0348051	1583005	3C4S199	4M9Q463	6000504	9SF0313	DXBE024	HJVN698	LQ8K257	RB3K192	VCS8271	Z3YG601
00D1864	0348055	1587007	3DRN626	4Q94355	6000507	9T0L341	DXPY816	HK6S511	LRGG822	RC1X895	VE3Q925	Z3ZJ255
00D1865	0348056	1587008	3EAY984	4QL3511	6000510	9TDR419	DY6E401	HLMQ103	LTZP734	RC7A030	VEDW944	Z44C597
00D1867	0348057	1594007	3QRB839	4QRB420	6000523	9TYJ262	DZ9C453	HMP8251	LVBK799	RD69632	VED4851	Z586134
00D1882	0348058	1596008	3ER2296	4R34503	61KG953	9UN6555	E07H592	HMUP404	LVRH022	RDIY280	VG0K172	Z681333
00D1902	0349016	1596009	3FRR402	4RLM896	64S6541	9URM722	E2FP500	HN49941	LXET693	REL9600	VGQJ545	Z68L018
00D1917	0349017	15YZ817	3H7Z853	4RWK784	65RW488	9V1A115	E2U2259	HNKI081	LXLK756	RI0J418	VGQR277	Z6JD900
00D1930	0349018	1620213	3HS2621	4TF1406	65YN237	9V92575	E31Z731	HNW3697	LZ9U920	RIAS156	VJV1485	Z78N962
00D1943	0349020	1620100	3I35937	4UWX977	66WG930	9WLA727	E3YF775	HPGC005	LZGD846	RIITD611	VK17128	Z8L7656
00D1949	034L193	1620103	3IQQ242	4W1D107	66XV282	9WU7001	E59Q751	HPZF337	M1YX015	RKBP847	VLC0844	ZC09107
00D1950	0350041	1623002	3JJ1866	4XBL231	66YU353	9X9Y399	E6CW071	HQ6B497	M2NN809	RKNU396	VMYM386	ZD5E422
00D1953	0350043	1632004	3JLC061	4Y9I600	68KL236	9XGG958	E71C599	HQA0978	M3I6324	RKSC133	VNHN793	ZD7S713
00D1959	0350044	1637003	3JLC925	5000994	68WZ898	9Y03690	E74J956	HRAT997	M3VQ043	RPRW592	VPCQ318	ZDHT058
00D1961	0351027	1652002	3M0C853	5002022	6B8A172	9Y7Y343	E79I005	HRH4089	M3XU565	RJRJ625	VPM5982	ZD60239
00D1964	0351028	1654103	3N34733	5008030	6BLK540	9YKW865	EA7K799	HRQC432	M49L232	RRWM163	VQ14255	ZEA4595
00D1971	0351029	16GU475	3NH0574	5008031	6BY3902	A06Q274	EASC707	HTU8885	M4NC710	RSYP172	VQAB875	ZEC3030
00D1977	0352017	1806001	3PBN850	5008033	6CDC016	A08B187	EBDH794	HTVM772	M5H4956	RTYU738	VQBT368	ZEE9654
00D1982	0358008	1834104	3PLW580	5008036	6EE4825	A0AH390	EBS1479	HUNA126	M6CS759	RV04189	VQDA515	ZEQI207
00D1987	0358109	1835001	3QW9569	5011266	6EYQ140	A0BV584	EBT2098	HUUT332	M6EY956	RVHK873	VRRX495	ZFD6089
00D2117	0358110	18H2332	3RJX571	5011288	6GK6731	A0CS973	EC51795	HV2X202	M6VI876	RVS6965	VS00263	ZFZD627
00D2141	0360015	18IT232	3RVR557	5011331	6GT8219	A0EP762	EC64860	HVG5307	M8VC535	RWDC631	VTFP185	ZHG0095
00D3085	0365016	18P3922	3SKQ836	5011362	6ISX190	A0ML084	ECJ5429	HVP6491	MA1B845	RWUA496	VU34681	ZH7B095
00D3089	0372012	1911206	3UFS788	5011378	6IUZ162	A10F787	EDHK810	HWF869	MA4I741	RX6W036	VVVP913	ZIW8204
00D3091	0372013	1937001	3UZR420	5011383	6J0B887	A1LK479	EG4W775	HXLL151	MBP5707	RXHX086	VWV1406	ZJC7642
00D3096	0389105	1984003	3WJZ855	5011390	6KE8930	A5A0201	EG99566	HXWB543	MBTB124	RYK9171	VWLQ969	ZK0U268
00D5106	0393006	1987002	3WKD350	5011426	6KEQ724	A6KR021	EGGN309	HXZT566	MCWP104	RZFE083	VXCR276	ZL83654
00D5108	0397004	19UP194	3XHK749	5011432	6LT6586	A81L916	EGGU990	HYY4752	MD79536	S08V749	VZ5E989	ZM03138
00D5115	03DZ642	1B66090	3XL6662	5011453	6L7G284	A8B0175	EGHH196	10BI048	MEJI001	S0NI024	W275970	ZQTZ533
00D6125	03E7004	1BLL805	3YFN792	5011484	6L9P648	AA7X839	EIHY073	112F143	MFK9534	S0NS355	W3HX781	ZQVB017
00D7037	03JC122	1CJ5623	3YLV192	5011486	6MJY350	AAB6087	EIIZ942	13LW018	MH26027	S1UD559	W46U596	ZRHS449
00D7066	0404001	1DIG328	3ZL7104	5011489	6N2W561	AACU307	EIUW830	13T4680	MI26495	S2JK035	W4JY526	ZRJP255
00D7072	0407005	1E9Q974	4003006	5011509	6NQM604	AARN459	EJN4216	14GT647	MMRE218	S32N594	W5GZ537	ZTWO091
00D7081	0438001	1ET9375	4003007	5011511	6RL1172	AAWY576	EKJD697	15D8210	MMVG621	S3KW328	W5WV206	ZUNH034
00D8115	0457102	1EWQ679	4003025	5025059	6SKZ406	AB2A540	EKK4363	15K7718	MN6Q190	S5N9987	W5NF768	ZUVA476
00D8151	0461120	1G4R981	4003043	5025061	6SSV987	ACJH029	ELCP673	16AP552	MNEG054	S5UN261	W78V291	ZV7C839
00D8173	0474106	1GTP730	4003047	5032030	6TOX383	ACZ2729	ELZL228	16S1654	MP1H170	S8SC370	W793945	ZWPL369
00D8180	0491316	1H9N197	4003092	5039013	6UAD950	AEZ5403	ENDW897	1916975	MPJV320	S8LJ787	W87C875	ZWXQ814

**STATE OF ILLINOIS**  
 Schedule of Findings and Questioned Costs  
 Table of Award Numbers  
 Year Ended June 30, 2020

**Highway Planning and Construction Cluster (20.205/20.219):**

Project Number												
00D8197	04JA029	1J8U505	4003093	5050012	6V38342	AFIK517	EPFK302	I9CY495	MPLB837	S9MW891	W8B2838	ZX7F566
00DC139	04ZS788	1LXJ606	4003097	5056018	6VED276	AHA4685	EPRZ583	IAPU384	MQG7960	SA7Z851	W8FK791	ZXJZ629
00J5453	0505028	1N4F772	4003110	5058032	6W8E078	AHRF702	EPSK058	IBCVO95	MT6W127	SAGK778	W8N3372	ZY1V348
00V0010	0525119	1NYW519	4003136	5065009	6WGY165	AIF2935	EQ47513	ID9X590	MTRX421	SATT457	WA3V900	ZYCH319
00ZI472	0525120	1P5V081	4003140	5068027	6W MJ986							