

**SIXTY-THIRD ANNUAL REPORT
of the
LEGISLATIVE AUDIT COMMISSION**

Submitted to the Members of the
General Assembly of the State of Illinois



**2021 MEMBERSHIP
Co-Chairs
Senator Jason Barickman
Representative Fred Crespo**

Senate Members

Senator Neil Anderson
Senator Cristina Castro
Senator Rachelle Crowe
Senator Laura Ellman
Senator Chapin Rose

House Members

Representative Jaime Andrade
Representative Mark Batinick
Representative Marcus Evans Jr.
Representative Randy Frese
Representative Tony McCombie

Room 622
William G. Stratton Building
Springfield, Illinois 62706

Legislative Audit Commission



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To the Members of the General Assembly:

Given the responsibility of appraising the stewardship of State government, it is appropriate that the Audit Commission submits to the General Assembly each year a self-assessment of its activities.

This report, submitted in accordance with the Act creating the Commission, presents a summary of the Commission's activities and accomplishments as the legislature's oversight agency during 2021. This document also presents a number of areas in which State government could improve its performance to achieve greater efficiency, improve effectiveness, and comply with statutory directives.

The ability to make government more effective and more efficient is attributable to the members of the Legislative Audit Commission who are dedicated to meeting the challenges of government. The Covid-19 pandemic has had an enormous and long-lasting effect on many aspects of life in Illinois. The pandemic necessitated changes in the way the Legislative Audit Commission worked to accomplish the review of 212 financial/compliance reports, part of two statewide single audit reports, and 3 performance audits during 2021.

The Audit Commission exists by and for the legislative branch of government. The Commission encourages your suggestions on becoming of greater service to the General Assembly.

Respectfully,

A handwritten signature in black ink, appearing to read "Jason Barickman".

Jason A. Barickman, State Senator
Co-Chair

A handwritten signature in black ink, appearing to read "Fred Crespo".

Fred Crespo, State Representative
Co-Chair

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63rd Annual Report

Report Highlights

The Legislative Audit Commission is a support services agency having the principal responsibility for the oversight of the State audit program. Major accomplishments during the past year include:

- Review of 212 financial audits and compliance examinations, part of two statewide single audit, and 3 performance audits.
- Support and enactment of remedial and other legislation.
- Review of all emergency purchases, travel reports, and awards to other than the lowest bidder made by State agencies.
- Maintenance of a web page as a source of up-to-date information about Audit Commission activities. This site includes publications, reports, and forms associated with the Commission.
- Distribution of booklets on revised Purchasing Laws and University Guidelines.

Overview

The Legislative Audit Commission is mandated by law (25 ILCS 150/0.01-0.06) to review all audits conducted by the State Auditor General. Primary responsibilities of the Commission are:

- Conduct public meetings on all major audits of State agencies to review problems, assess agency stewardship, and secure remedial action.
- Initiate and review management and program audits and investigations.
- Make recommendations to the General Assembly and agency management for corrective legislation and other measures to remedy weaknesses disclosed through audits or at Commission meetings.
- Monitor agency progress in implementing corrective action.

The statutory direction is made clear in this excerpt from the Commission's enabling legislation from 25 ILCS 150/1 and 150/3:

The Commission shall ascertain facts, review reports and take action thereon, and make recommendations and reports to the General Assembly and to the houses thereof concerning the audit, revenue and expenditures of the State....The Commission shall receive the reports of the Auditor General and other financial statements and shall determine what remedial measures, if any, are needed, and whether special studies and investigations are necessary.

The Commission works closely with the Office of the Auditor General. Although separate agencies, the two have many common interests. The Commission makes use of the Auditor General's specialized staff to minimize unnecessary duplication of effort and expenditure of tax funds. Nevertheless, the Commission also recognizes the specific separation of responsibilities between the conduct and the review of audits.

This report is one means used to inform the General Assembly, State agencies, the accounting profession, and the public of the Commission's activities and concerns. In addition, the Commission's membership and staff maintain open and active communication with the legislature and its staff and service agencies through personal contact and other means.

Information about the Commission's work and findings is supplied to individual members of the General Assembly upon request. This service can include supplying available information, reviewing proposed legislation, or assisting in the analysis of fiscal matters.

A final and important means of communicating with the members of the General Assembly is the support or sponsorship of legislation. The Legislative Audit Commission has a structured process for identifying and acting upon matters requiring new or amendatory legislation.

Commission's Home Page

Information about the Legislative Audit Commission is also available on a home page on the Internet. The information includes Commission authority and membership, the agenda of the Commission's next scheduled meeting, the recording of the Commission's most recent meeting, reviews of audits for the next scheduled meeting, a list of audit reports passed on the Commission's Consent Calendar since January 2006, the most recent Annual Report and Audit Report, the Purchasing Laws publication, the University Guidelines publication, and the Headquarters designation (TA-2) form. Reviews of all audit reports heard by the Commission in the current audit cycle are also available. The home page enhances public access to information concerning the Commission's activities.

To reach the Commission's home page, go to **www.ilga.gov** and click on "Legislative Support Services" then follow the link to the Legislative Audit Commission.

Commission Membership

The Commission consists of 12 members who are appointed by the legislative leadership. Membership is equally apportioned between the two chambers and the two political parties. Finally, the co-chairs may not be members of the same political party, nor may they serve in the same chamber of the General Assembly.

The members receive no compensation for the substantial amount of time devoted to Legislative Audit Commission activities, but are reimbursed for travel expenses incurred.

The Commission maintains a full-time staff of three persons in the William G. Stratton Building in Springfield.

Appearing on the next page are lists of legislators now serving and those who have served on the Legislative Audit Commission.

**Commission Membership and
Date of Appointment
as of December 31, 2021**

Senate Members

Senator Neil Anderson	February 2021
Senator Jason Barickman	January 2013
Senator Cristina Castro	January 2021
Senator Rachelle Crowe	January 2021
Senator Laura Ellman	January 2019
Senator Chapin Rose	January 2019

House Members

Representative Jaime Andrade	February 2019
Representative Mark Batinick	January 2017
Representative Fred Crespo	February 2021
Representative Marcus Evans Jr.	February 2019
Representative Randy Frese	January 2019
Representative Tony McCombie	January 2019

Former Members

Raymond E. Anderson	Terry D. Deering	Richard R. Larson	Kwame Raoul
Victor Arrigo	Miguel A. Del Valle	Chris Lauzen	Dennis Reboletti
W. Russell Arrington	Deanna Demuzio	Ted E. Leverenz	David Reis
Louis E. Beckman	Vince Demuzio	Ellis B. Levin	Walter J. Reum
Robert A. Biggins	Kirk Dillard	James P. Loukas	Dale A. Righter
Kenneth Boyle	Brian B. Duff	Eileen Lyons	Dale E. Risinger
Bill Brady	Dan Duffy	Andy Manar	Bob Rita
Michael I. Brady	Thomas Dunn	Lynn Martin	Ron Sandack
Rich Brauer	George W. Dunne	Iris Martinez	Calvin W. Schuneman
Richard H. Brummer	Paul F. Elward	Sidney Mathias	Penny Severns
George M. Burditt	Dwight P. Friedrich	Frank J. Mautino	George P. Shadid
Linda Chapa LaVia	Zeke Giorgi	Jeffrey D. Mays	W. Timothy Simms
Robert E. Cherry	John S. Graham	David B McAfee	Cal Skinner, Jr.
Clyde L. Choate	Harber H. Hall	Edward McBroom	Fred J. Smith
Terrel E. Clarke	Kenneth Hall	Dean McCulley	Joe Sosnowski
Earlean Collins	Julie Hamos	Andrew J. McGann	Arthur W. Sprague
Jacqueline Collins	Gary Hannig	Robert F. McPartlin	George F. Stastny
Philip W. Collins	Dennis Hastert	Robert Mitchler	Celeste M. Stiehl
Marlow H. Colvin	Jay Hoffman	John Mulroe	Arthur Tenhouse
John Connolly	Linda Holmes	Edward A. Nedza	Judy Baar Topinka
Fred Crespo	Sheri Jesiel	Clarence E. Neff	Donne E. Trotter
Thomas Cullerton	Gene Johns	Dawn Clark Netsch	Sam Vadalabene
Michael D. Curran	Timothy V. Johnson	Jim Oberweis	Louis S. Viverito
Barbara Flynn Currie	Nancy Kaszak	Daniel J. O'Brien	Thomas J. Walsh
Julie A. Curry	James F. Keane	Mary K. O'Brien	Frank Watson
John M. Daley	Dan Kotowski	John T. O'Connell	Jerry Weller
Richard M. Daley	Jack L. Kubick	Frank M. Ozinga	Rick Winkel
C.D. Davidsmeyer	Bob Kustra	Margaret R. Parcels	Anne Zickus
Corneal A. Davis	Leo D. LaFleur	Sandra Pihos	
Jack Davis	Darin LaHood	Glenn Poshard	
Aldo A. DeAngelis	John J. Lanigan	Paul Powell	

Audit Review Program

Audits are, by their nature, a look at the past. Transactions are reviewed, statistical and compliance tests are performed, and an evaluation is made of conditions during the period covered by the report. The Commission's audit review activities seek to change this focus by involving legislators, agency directors and managers, and members of the audit team in a structured process, which emphasizes implementation of corrective action to remedy existing weaknesses and to prevent lapses of control in the future. While the audit report cites deficiencies at the time of the examination, the Commission looks forward, seeking to view the audit report as a blueprint for improved agency service and accountability. In this way, the Commission maximizes the value of these reports as management tools.

Two important benefits result from frequent meetings on major audits:

1. Legislators are directly involved in the audit process, increasing communication within government and supplying feedback to the legislative and appropriations processes; and
2. Opportunities are increased for both administrative and legislative action to correct weaknesses and deficiencies disclosed in the audit reports.

Basic elements of the Commission's review include:

- Disclosure and public scrutiny of weaknesses and illegal or improper conduct in the use of public funds and the management of public business.
- Study, development, and introduction of legislation to correct weaknesses and improve the statutory framework of Illinois government.
- Initiate management and program audits and other studies as required.
- Review of the delivery of State services, based both on audit findings and on members' contact with their constituents and the various agencies.

The participation of the Office of the Auditor General and accounting profession enhances discussion of accountability issues by both the agency and the Commission. In many instances, their comments help to clarify complex accounting issues. The Commission extends its appreciation to the accounting professionals who have participated during the past year. Hopefully they have found their association with the audit program rewarding, and have gained an appreciation of legislative oversight concerns as the result of their participation in Commission meetings. A listing of these individuals, by accounting firm name, appears on the following page.

Adelphia	KPMG	Sikich	Roth & Company	RSM	West and Company
Andrew Guerrero	Cathy Bauman	Amy Sherwood	Emily Causon	Joseph Evans	Mike Lawler
Gilda Priebe	Susan Warren	Danielle Caldwell	Darlene Dizon	Dan Sethness	
Jennifer Roan			Leilani Rodrigo		
Stella Marie Santos			Reddy Bommareddi		
Maria Divina Valera			Jannica Quintana		

Compliance Examinations

Compliance audits, or compliance examinations, stress the fundamentals of governmental accountability—compliance with statutes and regulations, sound business practices, safeguarding of assets and property, and proper expenditure of State funds. The Commission took action on 212 financial and compliance reports during 2021, ranging from reports disclosing no material findings to reports containing as many as 69 recommendations. Obviously, this large number of reports represents the foundation of the Commission’s workload. A listing of these audits is included in Appendix A on pages 29-32.

Prior to a Commission meeting, an audit review is prepared by Commission staff, summarizing all of the recommendations made by the auditors and pertinent financial data. The recommendations are classified as to implementation and acceptance status based on current information requested from the agency involved.

The Commission’s public hearings stress implementation of corrective action, review of disputed findings, and an assessment of the fiscal and programmatic achievements of the agency. Corrective action is stressed to minimize the repetition of adverse findings in future reports. The Commission expects that each recommendation accepted by an agency will be implemented within a reasonable time. Priority attention is devoted to correcting past problems so that they will not recur. The Commission considers no audit recommendation fully disposed of until:

- it has been accepted by the agency;
- equally acceptable procedures have been implemented; and
- the Commission members are convinced that the position taken by the agency in not accepting a given recommendation is proper in the circumstances involved.

If implementation is not feasible, the Legislative Audit Commission may urge elimination of the recommendation in future reports.

Although infrequent, the Commission may be dissatisfied with an agency's lack of progress implementing audit recommendations and require the State agency to return to the Commission to report on the status of implementing audit report recommendations. As well, the Commission may notify the Governor if an executive agency or department refuses to comply with an audit recommendation. The Audit Commission may request an opinion from the Attorney General for the interpretation of statute and whether an agency is operating within statutory requirements. The Audit Commission requested no opinions from the Attorney General during 2021.

The Office of the Auditor General contracts with an independent auditor to perform a Statewide Single Audit of federal funds. This Statewide Single Audit fulfills the mandate for accepting federal funding. It includes all State agencies that are part of the primary government and expend federal awards. In total, the audit identifies 45 State agencies expended \$26.7 billion in federal financial assistance in FY19. The various universities, the bonding authorities, and the Conservation Foundation are not included in the Statewide Single Audit. Federal findings are noted in the State compliance audit reports of these agencies.

The Statewide Single Audit for FY18 contained 80 findings with 59 repeat findings while the FY 19 contained 69 findings with 51 repeat findings. The audit noted for the 19th time that the State does not have an adequate process in place to permit the timely preparation of a complete and accurate Schedule of Expenditures of Federal Awards (SEFA).

50 findings (compared to 79 in the FY18) in the Statewide Single Audit were characterized as material weaknesses in internal control and/or material noncompliance with laws and regulations. These findings focused on deficiencies within agencies such as improperly drawing and reporting cash advances made under the Aging Cluster program at the Department on Aging. The Department of Human Services and the Department of Healthcare and Family Services did not have appropriate controls over the Integrated Eligibility System used to determine eligibility for SNAP, TANF, CHIP, and the Medicaid Cluster program. The Department of Children and Family Services did not maintain complete provider licensing files, including documentation of required background checks for foster care service providers. Auditors were unable to obtain sufficient audit evidence from the Department of Employment Security to determine whether the State complied with applicable requirements of the Unemployment Insurance program. The State Board of Education did not perform adequate monitoring over subrecipients of Special Education Cluster and Career and Technical Ed (CTE). At least 13 of the audit report's 80 findings related to agencies' deficiencies in monitoring subrecipients such as inadequate review of subrecipient audit reports or inadequate monitoring of programs.

Audit Review Highlights

During 2021, the Legislative Audit Commission reviewed many compliance examinations and financial audit reports. Obviously, this statistic is of limited significance because there are wide variations in the reports regarding length, complexity of agency operations, and other factors. This figure, however, is not without meaning because it does reflect the wide range of the State's fiscal activities subjected to review by the General Assembly during this period.

The Commission is concerned with the timely review of compliance, financial, and performance audits. As a post-facto examination, there is a certain delay in the completion and review of audits. However, it is important that the process be concluded in a timely fashion to maximize the benefits of the audit program.

The Commission attempts to reach a satisfactory agreement regarding the disposal of each audit recommendation. However, many findings contained in the audit reports are not addressed in a timely manner by agency officials and thus repeat in subsequent audits. For the FY19 audit cycle, there were a total of 656 findings and 396 repeat findings (60.39%). For the FY20 audit cycle, there were a total of 768 findings and 367 repeated findings (48.0%). Agencies identified various reasons for repeated findings. The most common causes of repeat findings in the audit reports were a lack of effective oversight/poor internal controls or lack of staffing and/or funding to implement the corrective action. Occasionally a finding may repeat in the same category such as property control or grant monitoring. The agency works to remedy that specific finding only to have another issue appear as a finding in the same category.

The Fiscal Control and Internal Auditing Act requires 36 designated State agencies plus the State colleges and universities and the public retirement systems to maintain a full-time program of internal auditing. Recent audits found that as many as seven of these agencies, required to have a Chief Internal Auditor, instead had entered into intergovernmental agreements with CMS to provide internal auditing services and together shared the Chief Internal Auditor appointed by CMS. For designated State agencies, not appointing a chief internal auditor and not having a full-time internal audit program is a violation of State law. Further, the Audit Commission is concerned that establishing a program of internal audit by interagency agreement and sharing a chief internal auditor weakens an agency's ability to assess its overall internal control environment. The chief internal auditor develops a deep understanding of the Agency's functions and processes; oversees and performs audits of the Agency's major system of internal accounting and administrative controls; and oversees and reviews major new information systems and modifications made to existing systems prior to implementation.

A strong internal audit function can be of great value to State government. In particular, the chief internal auditors commonly assist management in monitoring the design and proper functioning of internal control policies and procedures. In this capacity, internal auditors function as an additional level of control. A formal internal audit function is particularly valuable for those activities involving a high degree of risk such as complex accounting systems and contracts with outside parties. The Attorney General issued an opinion on the issue dated August 9, 2019 stating "...multiple designated State agencies may not appoint the same individual as their chief

internal auditor through an intergovernmental agreement.” Designated State agencies should appoint a Chief Internal Auditor and ensure a full-time program of internal auditing is in place and functioning.

The Commission desires that State government operate efficiently and effectively and improve its economic standing. Due to the effects of the Covid-19 pandemic, Illinois’ unemployment was at 8.1%, and the national average was 6.7% in December of 2020 compared to 5.3% for Illinois in December of 2021. A new law went into effect on January 1, 2018 requiring agencies to report on the amount of outstanding bills held at the agency. The State had a backlog of \$5.08 billion in unpaid bills at the end of 2020; however, this amount does not include \$4.3 billion in borrowing. In comparison, the backlog of unpaid bills at the end of 2021 was \$4 billion, and the amount does not include \$724 million in short-term borrowing that is required to be repaid.

Appendix B, appearing on page 33, summarizes the audits reviewed at Legislative Audit Commission hearings during 2021, the number of audit recommendations, and the number of recommendations that were repeated from prior audits.

During 2021, the Commission gave special attention in its review activity to the topics which follow. The various departments and agencies listed usually agreed to implement specific audit recommendations or other changes, so that these weaknesses would no longer exist. In most instances, the findings were for either FY19 or FY20.

Failure of Internal Controls

The following agencies did not properly prepare reconciliations, accounting records, financial statements, or GAAP packages; or had inadequate control over invoices, returned checks, unclaimed property, refunds, reserve funds, liabilities, reappropriation, unexpended funds, voucher processing, close-outs, petty cash, disbursement of funds, receipts, locally held funds, accounts receivable interest payments, subsidies, payment of fees, fraud risk, or transfer of funds:

Agriculture	Environmental Protection Agency
Abraham Lincoln Presidential Library & Museum (ALPLM)	Financial & Professional Regulation
Board of Examiners	Governor
Capital Development Board	Guardianship & Advocacy Commission
Chicago State University	Human Rights Commission
Comprehensive Annual Financial Report	Independent Tax Tribunal
Coroner Training Board	Illinois Conservation Foundation
Council on Developmental Disabilities	Illinois Gaming Board
Court of Claims	Illinois State Police
Deaf & Hard Hearing Commission	Joint Committee on Administrative Rules
Dept. of Employment Security	Judicial Inquiry Board
Dept. of Human Rights	Legislative Printing Unit
Dept. of Innovation & Technology	Office of the Treasurer
Department of Revenue	Prisoner Review Board
	Secretary of State

State Board of Investment
University of Illinois

Workers' Compensation Commission

The following agencies had inadequate controls over timesheets, payroll, overtime rules, segregation of duties, personnel policies, personal services, vehicle use/maintenance, ethics training, employee training, employee evaluations, telecommunication devices, employee records, employee evaluations, medical consent waivers, leaves of absence, supervision of field offices, exit counseling, appointment vacancies, and board meetings:

Agriculture	Eastern Illinois University
ALPLM	Financial & Professional Regulation
Board of Examiners	Governors State University
Capital Development Board	Guardianship & Advocacy Commission
Chicago State University	General Assembly Retirement System
Deaf & Hard of Hearing Commission	Governor
Department of Children and Family Services	Illinois Educational Labor Relations Bd.
Dept. of Employment Security	Illinois Gaming Board
Dept. of Human Rights	Illinois Labor Relations Board
Department of Innovation & Technology	Legislative Ethics Commission
Department of Revenue	Northeastern Illinois University
	State Board of Investment

The following agencies had inadequate control over property, inventory, equipment, capital assets, recordkeeping, reports, depreciation calculations, and leases:

Agriculture	Joint Committee on Administrative Rules
ALPLM	Judicial Inquiry Board
Attorney General	Department of Innovation & Technology
CMS – University Benefit Schedules	Department of Revenue
Department of Children and Family Services	Illinois Board of Higher Ed
Dept. of Employment Security	Illinois State Police
Dept. of Human Rights	Legislative Printing Unit
Financial & Professional Regulation	Northeastern Illinois University
Guardianship & Advocacy Commission	Secretary of State
Governor	
Human Rights Commission	Workers' Compensation Commission

The following agencies did not properly follow administrative directives, agency policies and procedures, or reporting requirements; or had inadequate control over documentation, customer notification, reports, documents, economic interest statements, emergency purchases, loan methodology, planning, distribution schedule, student loan repayments, management processes; publication of information, program compliance, or hearings:

ALPLM
Board of Admission to the Illinois Bar
Capital Development Board
Chicago State University
Coroner Training Board
Eastern Illinois University
Department of Children
and Family Services
Dept. of Employment Security
Department of Human Rights
Financial & Professional Regulation
Dept. of Innovation & Technology
Department of Revenue

Governors State University
Guardianship & Advocacy Commission
Human Rights Commission
Illinois Gaming Board
Illinois State Board of Education
Illinois State Police
Judges' Retirement System
Legislative Ethics Commission
Office of the Legislative
Inspector General
Northeastern Illinois University
State Employees' Retirement System
University of Illinois

The following agencies did not properly draft or adhere to contractual agreements, interagency agreements, intergovernmental agreements, or grant agreements; or had improper grant reporting or grant award information:

Agriculture
ALPLM
Board of Examiners
Board of Higher Ed
Chicago State University
Department of Employment Security
Department of Children
and Family Services

Financial & Professional Regulation
Department of Innovation &
Technology
Northeastern Illinois University
Secretary of State

Failure to Monitor Computer Systems

The following agencies had inaccurate system descriptions or unsuitably designed controls; or inadequate controls over computer security, computer system access, system changes, disaster recovery, disposal of confidential information, website management, system documentation, data reporting, software licenses, detailed user agreements, data conversion, ERP or cybersecurity:

Agriculture
ALPLM
Attorney General
Capital Development Board
Chicago State University
Deaf and Hard of Hearing Comm.
Department of Children
and Family Services
Department of Employment Security
Financial & Professional Regulation
Department of Human Rights
Dept. of Innovation & Technology

Department of Revenue
Department of Transportation
Governors State University
Guardianship & Advocacy Commission
Human Rights Commission
Legislative Information System
Illinois Gaming Board
Illinois State Police
Independent Tax Tribunal
Joint Committee on Administrative Rules
Northeastern Illinois University
State Employees' Retirement System

Failure to Adequately Monitor Subrecipients, Contractors, or Sites

The following agencies had inadequate controls over contractual service expenditures, site monitoring, subrecipient monitoring, or the review of external service providers

Agriculture	Financial & Professional Regulation
ALPLM	Department of Innovation & Technology
Chicago State University	Eastern Illinois University
Department of Children and Family Services	Office of the Treasurer
Department of Employment Security	State Appellate Defender
	State's Attorneys Appellate Prosecutor

Failure to Operate Within Statutory Authority

The following agencies did not comply with all statutes required for their operations, or did not seek legislative remedy to correct inadequate agency statutes:

Agriculture	Department of Human Rights
ALPLM	Guardianship Advocacy Commission
Board of Higher Ed	Governor's Office of Management & Budget
Chicago State University	Independent Tax Tribunal
Deaf and Hard of Hearing Comm.	Illinois Gaming Board
Department of Children and Family Services	Mid-Illinois Medical District Commission
Department of Employment Security	State University Retirement System
Financial & Professional Regulation	Northeastern Illinois University

The following agencies did not comply with the Fiscal Control and Internal Auditing Act; did not perform internal audits timely; did not have a chief internal auditor as required; did not maintain a full-time internal audit program; did not perform audits of major systems; or did not certify review of internal controls:

Agriculture	Department of Human Rights
ALPLM	Department of Innovation & Technology
Deaf and Hard of Hearing Comm.	Judicial Inquiry Board
Department of Employment Security	

Failure to Protect the State's Interest

The **Department of Children and Family Services** did not have a formal process in place to identify LGBTQ Youth.

The **Department of Agriculture**, the **Secretary of State**, and **Southern Illinois University** did not ensure payment card security.

The **Department of Revenue** did not safeguard taxpayer information.

The **Department of Employment Security** had weaknesses in cybersecurity programs and practices.

The **Illinois Gaming Board** did not ensure security of confidential information.

Governors State University did not comply with child abuse reporting training nor campus security enhancement

The **Deaf and Hard of Hearing Commission** could not provide requested documentation for multiple divisions.

The **Abraham Lincoln Presidential Library & Museum** did not comply with its policy regarding loans of museum collections.

Collection of Receivables

Accounts receivable are a valuable asset to the State and, as such, must be effectively accounted for and pursued for collection. Each agency must maintain an accounting system that enables them to establish, record, follow-up, collect, and possibly write off individual receivables.

Total gross receivables as of December 31, 2019 approximated \$17.9 billion. Total gross receivables as of December 31, 2020 approximated \$16.1 billion. Of this amount, \$4.5 billion (28%) was estimated to be collectible. The LAC will monitor as the updated numbers as disclosed in March, especially regarding federal stimulus.

Performance Audits

Performance audits, a category that includes program, management, efficiency audits and annual reviews, provide a more detailed and thorough examination of a topic than is possible in a compliance examination. The Auditor General is authorized to conduct performance audits

when directed by either chamber of the Illinois General Assembly or by the Legislative Audit Commission. A performance audit means a post audit which determines:

- Whether the audited agency is managing or utilizing its resources in an economical and efficient manner;
- Causes of inefficiencies or uneconomical practices;
- Whether the objectives and intended benefits are being achieved, and whether efficiently and effectively;
- Whether the program is performed or administered as authorized or required by law; and
- Whether the program duplicates, overlaps, or conflicts with another State program.

One of the methods by which performance audits may be initiated is through the adoption of a resolution by the Legislative Audit Commission. There were three resolutions adopted in 2021 by the Legislative Audit Commission requesting a performance audit of the Department of Employment Security's administration of unemployment programs during the Covid-19 pandemic; a program audit of the Department of Commerce and Economic Opportunity's Business Interruption Grant program; and a performance audit of the Department of Transportation's certification of the businesses through the Disadvantaged Business Enterprise Program.

The Commission approved three performance audits in CY21 on the consent calendar involving the Illinois Power Agency's management of the Renewable Energy Credit procurement process and Adjustable Block Grant Program, the CY20 Annual Review of the Chicago Transit Authority Employee Retirement Plan and the CY20 Annual Review of the Chicago Transit Authority Retiree Health Care Trust.

The following is a summary of the four performance audits reviewed by the Legislative Audit Commission during 2021. Auditors will follow-up on these recommendations with each agency and report on whether the recommendations were implemented in the agency's individual compliance examination.

Performance Audit of the Department of Children and Family Services' LGBTQ Youth in Care

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

1. DCFS implementation of and adherence to Appendix K to Procedure 302 and the Foster Children's Bill of Rights;
2. DCFS' contractors' implementation of and adherence to Appendix K of Procedure 302 and the Foster Children's Bill of Rights;

3. How and with what frequency DCFS and its contractors' employees are trained on sexual orientation, gender identity, and the requirements of Appendix K, and whether the training is sufficient to demonstrate appropriate application to fieldwork;
4. How employee and contract oversight ensure accountability and corrective actions;
5. The method by which DCFS assesses, monitors, and acts to make certain its contracted providers have adopted LGBTQ- affirming, nondiscrimination policies that are at least as extensive as Appendix K, including policies providing for employee discipline up to and including termination for conduct in violation of the non-discrimination policy;
6. The methods by which information about youth gender-identity is sought, the format and locations in which this information is maintained, and the practices utilized for privacy protections;
7. Actions taken by DCFS and its contractors in licensing to require foster parents' commitment to provide care and homes that are affirming of all children and youth, regardless of sexual orientation or gender identity;
8. The process by which DCFS ensures that children or youth who identify as lesbian, gay, bisexual, transgender, questioning or queer are matched with placements that are affirming of those youths' sexual orientation and gender identity; and
9. The current gap in placement and service capacity to meet needs and efforts made to recruit homes affirming of lesbian, gay, bisexual, transgender and questioning or queer children and youth.

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

1. Whether youth in care are made aware of their rights and know how to report violations of these rights, the experiences of youth who have reported violations, recommendations made by youth in care to improve their ability to meaningfully exercise their rights, and how DCFS incorporates such recommendations in policy development;
2. The number of youth in care identifying as (a) lesbian, (b) gay, (c) bisexual, (d) transgender, (e) questioning, (f) gender non-conforming, (g) another minority sexual orientation or gender identity, or (g) more than one of the aforementioned identifications during the review period;
3. For each youth in subsection (2), the length of stay in out-of-home care, case permanency goals, frequency of sibling visitation, as applicable;
4. For each youth in subsection (2), the number, type, and duration of each placement designated foster home, group home, residential treatment center, detention or correctional setting, psychiatric hospital, transitional living program, or shelter home; whether and how the youth in care participated in placement planning and determination; whether and how gender identity was considered for placement selection and whether the youth was placed according to their gender identity (as opposed to their sex assigned at birth as reflected on their birth certificate); reasons for placement disruptions, if applicable;
5. For each youth in subsection (2), the number of each incident categorized as running away, contact with police or the justice system, crisis hospitalization, hospitalization beyond medical necessity, reported victim of assault, school-related disciplinary infractions, school-related bullying or harassment, removal from a placement at the request of a provider or caregiver, removal from a placement at the request of the youth, subject of abuse or neglect allegations

while in out-of-home care, detained in a correctional setting beyond release due to lack of identified placement;

6. Whether the youth in subsection (2) were provided opportunities to engage in normalcy activities (e.g., participation in activities typical of their peer and age group) consistent with their gender identity;

7. Whether the data findings for subsections (1), (3), (4), (5), (6) differ from that of the general population of youth in care or whether the data differs based on the geographic placement of the youth in care;

8. The number of providers designated as clinically appropriate to provide housing or services to youth who identify as lesbian, gay, bisexual, transgender, or questioning available to youth in care and the number of youth utilizing those providers for services or supports;

9. The number of transgender youth in care who have requested (whether formally or informally) transition-related hormone therapy or consultation services regarding this treatment; the number of youth that DCFS did not refer for treatment, the qualifications of staff making the determination, and justification; the number of youth who received their requested care and whether this was delivered by a qualified provider; and the length of time from the youth's request to a service referral being made to referral resulting in service delivery; and information regarding barriers to service access, bureaucratic hierarchy and hurdles, and efforts made to address these issues; and

10. The number of youth in care in need of treatment for gender dysphoria and how this need is identified; the number of youth that DCFS did not refer for treatment, the qualifications of staff making the determination, and justification; the number of youth receiving this care and whether it was provided by a qualified clinician; the length of time from need being identified to service referral being made to referral resulting in service delivery; and information regarding barriers to service access, bureaucratic hierarchy and hurdles, and efforts made to address these issues.

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

Background

DCFS is responsible for protecting children and strengthening families through the investigation and intervention of suspected child abuse or neglect by parents or other caregivers. Children who are placed in the care of DCFS have been removed from their families for a variety of reasons, including abuse or neglect. Once the State takes legal custody of children to protect them from future harm, the child welfare system has a responsibility to provide them with safe and stable substitute living arrangements that ensure they maintain connections with their family members and siblings in care. According to data provided by DCFS, there were 26,971 youth in the care of DCFS during 2017-2018.

According to the Human Rights Campaign, LGBTQ youth enter the foster care system for many of the same reasons as non-LGBTQ youth in care, such as abuse, neglect, and parental substance abuse. However, many LGBTQ youth have the added layer of trauma that comes with being rejected or mistreated because of their sexual orientation, gender identity, or gender

expression. Research has shown that LGBTQ youth are over-represented in the foster care system. This means that the percentage of youth in foster care who are LGBTQ-identified is larger than the percentage of LGBTQ youth in the general youth population. LGBTQ youth in foster care can also face differences in experiences in care or treatment by the system.

Out-of-home care means removing youth from the custody of their parents when their safety or welfare cannot be adequately safeguarded without removal. One study found that 15.5 percent of youth in care ages 11-17.5 identified as LGB (lesbian, gay, and bisexual). A large-scale study (“The Midwest Study”) on the economic health and demographic characteristics, including sexual orientation, among young adults who were previously in foster care found that 11-15 percent of respondents identified as LGB. Some studies estimate that LGBTQ youth could make up as much as 30 percent of the total number of youth in care.

Report Conclusions

Overall the audit found that there is a lack of reliable and consistent information regarding LGBTQ youth in the care of the Department. Further, although the Department has established policies and procedures to ensure the well-being of LGBTQ youth in care, the Department did not implement all of these procedures or the procedures were not implemented in a timely manner. We also found that there is a lack of monitoring and oversight of private agency compliance with these procedures.

In this audit, auditors also reported that:

- The Department does not have a formal process in place to identify youth in care that may identify as LGBTQ.
- The Department utilizes outdated, inadequate, or non-existent computer systems to track youth in care and particularly LGBTQ youth in care.
- The Department is not ensuring that caseworkers review the Foster Children's Bill of Rights with youth in care as is required.
- The Department did not implement training requirements in a timely manner.
- The Department failed to monitor the requirements of Appendix K including whether POS agencies have adopted policies that are at least as extensive as Appendix K.
- The Department does not require licensed foster parents to commit to provide care and homes that are affirming of all children and youth, regardless of sexual orientation or gender identity as part of the licensing process.
- LGBTQ status was taken into consideration for some placements. However, the Department is not utilizing its Child/Caregiver Matching Tool in most cases.
- The Department has taken some steps to recruit LGBTQ affirming foster parents by holding events specifically to recruit LGBTQ affirming parents. However, there was no evidence that these efforts have led to more LGBTQ affirming foster homes.
- The number of emergency shelter beds in Illinois decreased dramatically between FY15 and FY19, leaving some areas of the State with no beds for youth in crisis.
- The Department is not providing accurate and complete information to the General Assembly in the required Youth in Care Waiting for Placement annual reports.

The audit report contains a total of 16 recommendations to the Department.

Management Audit of the Firearm Owner's Identification Card and Concealed Carry License Programs

On July 21, 2020, the Legislative Audit Commission adopted Resolution Number 155 requiring a management audit of the Illinois State Police's administration of the Firearm Owner's Identification Card Act (430 ILCS 65) and the Firearm Concealed Carry Act (430 ILCS 66) for 2018 and 2019. The Resolution contained eight determinations:

- 1) What steps the Department takes to determine whether an applicant is eligible or ineligible to receive a Firearm Owner's Identification Card and a Firearm Concealed Carry License;
- 2) The total number of Firearm Owner's Identification Card or Concealed Carry License applicants during the past two calendar years, the number of those applicants approved, and the number who were denied, and the reasons for denials;
- 3) Whether the Department is approving or denying all new Firearm Owner's Identification Card applications within 30 days after the date they are received;
- 4) Whether the Department is approving or denying all Firearm Owner's Identification Card renewal applications within 60 days after the date they are received;
- 5) Whether the Department is approving or denying all new Concealed Carry applications within timeframes required by the Firearm Concealed Carry Act;
- 6) The total number of Firearm Owner's Identification Cards and Firearm Concealed Carry Licenses revoked during the last two calendar years and the reason for the revocations; and
- 7) Whether the Department is receiving revoked Firearm Owner's Identification Cards and Firearm Concealed Carry Licenses from local law enforcement as required;
- 8) Whether the Department has procedures in place to ensure that all firearms are transferred from persons whose Firearm Owner's Identification Cards were revoked.

Background

Illinois residents are required by the Firearm Owner's Identification Card Act (430 ILCS 65) to have a valid Firearm Owner's Identification (FOID) card in order to possess or purchase firearms or ammunition. The Act originally became effective in 1968.

The Firearm Concealed Carry Act (430 ILCS 66), effective July 2013, allows an individual to carry a handgun on or about a person completely or mostly concealed from view of the public or on or about a person within a vehicle. According to the Department, as of December 31, 2019, there were 2,227,538 active FOID cards and 333,042 active Concealed Carry Licenses.

Key Findings

- The current Firearm Owner's Identification (FOID) card and Concealed Carry License (CCL) application **processes are labor** intensive with some steps being completed

multiple times for the same application. While some checks, such as those for mental health, are run daily by data match, others, such as checking for matching information with the Illinois Secretary of State, are completed manually by an Illinois State Police Firearms Eligibility Analyst. There is also significant overlap between the FOID and CCL application processes as they contain many of the same steps. Further, the new and renewal application processes also contain similar steps.

- According to Illinois State Police (Department) officials, there are over 40 steps an application must go through before an eligibility determination is made. These steps include both electronic and manual checks to confirm information and determine eligibility. If a match/hit is identified that may prohibit an applicant from possessing a FOID card or CCL, a Firearms Eligibility Analyst must manually resolve the issue. **Having a process that relies heavily on Firearms Eligibility Analysts manually completing steps that could be conducted via an electronic matching process is inefficient and vulnerable to potential mistakes or oversights.** Manually verifying information that could be automated slows the time it takes to process applications.
- The number of FOID and CCL applications increased substantially from 2018 to 2019 driven by an increase in renewal applications.
 - **FOID applications received increased** from 266,836 in 2018 to 306,217 in 2019, or **14.8 percent**.
 - **FOID renewal applications increased** from 106,862 in 2018 to 146,912 in 2019, or **37.5 percent**.
 - **CCL applications increased** from 58,669 in 2018 to 104,049 in 2019, or **77.3 percent**.
 - **CCL renewal applications increased** from 6,341 in 2018 to 61,253 in 2019, or **866.0 percent**.
 - Overall, **very few FOID or CCL applications were denied**. For applications received during the two-year period 2018-2019, there were 20,642 FOID applications denied (3.6%). The most common reasons for denial were felony convictions (26.5%), mental health matters (20.3%), and crimes punishable by imprisonment for a term exceeding one year (18.1%). For the same period, there were 2,438 CCL applications denied (1.5%). The most common reasons for denial were danger to self or others (45.5%) and not having a valid FOID card (30.4%).
- **The timeliness of processing FOID and CCL applications decreased significantly from 2018 to 2019.** Overall, 79.5 percent of FOID applications received during the two-year period were processed within the statutorily required timeframes. However, the percentage of FOID applications processed within statutorily required timeframe **dropped from 87.1 percent in 2018 to 72.9 percent in 2019**. For Concealed Carry Licenses, overall 64.5 percent of applications submitted in 2018 and 2019 were processed within the statutorily required timeframes. However, the percentage of applications that were processed timely **dropped from 93.4 percent in 2018 to only 48.2 percent of applications submitted in 2019**.
- The increase in the number of applications that were not processed timely was due primarily to the applications not being started in a timely manner.
 - In 2018, there was an average 15 day delay to begin processing a FOID application which increased to 22 days in 2019.

- For FOID renewals in 2018, there was an average 19 day delay to begin processing the renewal which increased to 46 business days in 2019.
- **There were a total of 19,275 FOID cards revoked during 2018 and 2019.** The most common prohibitor categories were for mental health and Order of Protection/Restraining Order. The majority of revoked FOID cards are not returned to the Department as is required and a Firearm Disposition Record showing that the weapons had been transferred to someone else was filed in only about one-third of cases. The percentage of revoked FOID cards that were returned to the Department was 44.8 percent in 2018 and 45.8 percent in 2019.
- **There were a total of 9,566 Concealed Carry Licenses revoked during 2018 and 2019.** The most common prohibitor was Inactive FOID Card at 81.5 percent of all prohibitors. The percentage of licenses returned dropped from 22.4 percent in 2018 to 14.4 percent in 2019.

Key Recommendations:

The audit report contains six recommendations directed to the Illinois State Police including:

- The Illinois State Police should seek to reduce manual verifications and checks of applicant information, reduce multiple and overlapping checks, and seek legislative remedies, if necessary, in order to increase the efficiency of the FOID and CCL application processes.
- The Illinois State Police should ensure that all FOID and CCL applications are approved or denied within the required statutory timeframes.
- The Illinois State Police should:
 - Ensure that Sheriffs are notified of revocations as is required by the Firearm Owners Identification Card Act; and
 - Continue to work with local law enforcement agencies to ensure revoked FOID cards and Concealed Carry Licenses are returned to the Department in accordance with the Firearm Owners Identification Card Act and the Firearm Concealed Carry Act.
- The Illinois State Police should consider including enforcement details in its procedures to ensure consistency among zones.
- The Illinois State Police should:
 - Establish a case management system for tracking appeals; and
 - Update its administrative rules to reflect the current appeals process.
- The Illinois State Police should update its administrative rules to reflect the current process for determining issuance date and expiration date.

Regional Offices of Education

The Commission reviewed 47 annual financial audits from the 32 **Regional Offices of Education** and two of the three **Intermediate Service Centers**. The most common finding concerned financial reporting and the financial reporting process. Most responded that they would implement the recommendations. The LAC will monitor the ROEs' progress.

Special Inquiries

The State Auditing Act also provides for several different types of audits, including special reports and investigations. The Act defines an investigation as an inquiry into specified acts or allegations of impropriety, malfeasance, or nonfeasance in the obligation, expenditure, receipt, or use of public funds. Investigations are initiated by resolution of the General Assembly or by the Legislative Audit Commission. The Auditor General may also at any time make informal inquiries of a State agency. Such inquiries are not in the nature of an audit, and are usually initiated at the request of a member of the General Assembly. There were no special inquiries for investigations requested by the Legislative Audit Commission in CY21.

Legislative Program

One of the purposes of the audit review program is to identify and act on problems requiring a legislative solution. The Governor signed the following bills changing the statutes as recommended by audit reports or Audit Commission members.

HB 1934 allows a regional office of education or educational service center to utilize either a cash basis, modified cash basis or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for the audit—(PA102-25).

Other Duties and Responsibilities

The General Assembly has assigned the Legislative Audit Commission a variety of duties and responsibilities in addition to its principal duty to review the post audit program in Illinois.

Review of Emergency Purchases

The Illinois Procurement Code (30 ILCS 500/) states, “It is declared to be the policy of the State that the principles of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts....” The law also recognizes that there will be emergency situations when it will be impossible to conduct bidding. It provides a general exemption when there exists a threat to public health or public safety, or when immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State Property, to prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues, or to ensure the integrity of State records; provided, however that the term of the emergency purchase shall not exceed 90 calendar days. A contract may be extended beyond 90 days if the chief procurement officer determines additional time is necessary and that the contract scope and duration are limited to the emergency. Prior to the execution of the extension, the chief procurement officer must hold

a public hearing and provide written justification for all emergency contracts. Members of the public may present testimony.

Notice of all emergency procurement shall be provided to the Procurement Policy Board and published in the online electronic Bulletin no later than five calendar days after the contract is awarded. Notice of intent to extend an emergency contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 calendar days before the public hearing.

A chief procurement officer making such emergency purchases is required to file a statement with the Procurement Policy Board and the Auditor General to set forth the circumstances requiring the emergency purchases. Agencies may also make Quick Purchases to procure items available at a discount for a limited period of time. The Legislative Audit Commission receives quarterly reports of all emergency purchases from the Office of the Auditor General. The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

An annual analysis is also performed to detect trends and possible patterns of abuse. A summary of emergency purchases reported during 2021 appears on page 30 in Appendix C.

Each emergency transaction is reviewed to establish that:

- An "emergency," as defined under Emergency Purchases in the Procurement Code, actually existed;
- The action taken by the agency was appropriate under the circumstances; and
- Steps were taken whenever possible to obtain bids or competitive quotations in order to obtain the most favorable terms for the State.

There were 138 statements for emergency purchases filed in 2021 totaling approximately \$126.1 million, a decrease of \$23.6 million, or 15.8%, from calendar year 2020. Presented below is a compilation of 2021 emergency purchases in dollar categories.

\$10,000 or Less	7
\$10,001 to \$100,000	47
\$100,001 to \$500,000	45
\$500,001 to \$1,000,000	17
\$1,000,001 or More	22

Included in the above summary were 22 emergency purchases exceeding \$1,000,000 as follows:

Estimated Cost - \$25,000,000.00 for the **Department of Central Management Services** to enable DHS and DPH to purchase drugs and pharmaceuticals on an as-needed basis during the contract period. The prior Joint Purchase Master Contract (JPMC) expired on 9/30/2021. The Notice of Award for the JPMC Drugs and Pharmaceuticals was published in BidBuy on

January 26, 2022, but a protest was filed on February 7, 2022 which has stayed the procurement process until the protest is resolved. As a result, CMS has been forced into a second extension of the emergency contract to meet the needs of the State.

Estimated Cost - \$1,021,250.00 for the **Department of Corrections** to provide milk and juice to the Department due to the closure of the Illinois Correctional Industries (ICI) Milk Production Facility as the result of the Covid-19 pandemic.

Estimated Cost - \$1,604,422.00 for the **Department of Corrections** to procure items that are produced at ICI – Western in order to fulfill obligations to customers. Items included but were not limited to: Chicken Breast Fillets, Turkey Ham, Chicken Deli Meat, Fish Portions, Pulled Chicken and Chicken Patties.

Estimated Cost - \$2,000,000.00 for the **Department of Corrections** to ensure continuous monitoring services for committed felons and/or parolees. The vendor, Protocol Criminal Justice, Inc., was the previous vendor and maintains and monitors the computer system and equipment 24/7.

Estimated Cost - \$6,275,000.00 for the **Department of Corrections** to provide approved commissary items that will allow for the continued sales of food, clothing, health/beauty and electronics to inmates.

Estimated Cost - \$3,500,000.00 for the **Department of Corrections** to provide multiple skill levels of nursing staff that will be placed statewide in correctional facilities. The previous vendor was unable to effectively recruit and fill nursing vacancies across the state, which have left correctional facilities with critically low nursing staff.

Estimated Cost - \$1,254,000.00 for the **Department of Corrections** to purchase cartons of skim milk for distribution to all correctional facilities in Illinois.

Estimated Cost - \$1,500,000.00 to the **Department of Human Services** for services from a vendor located in Downers Grove to clean DHS office locations where a COVID positive exposure was identified at the current time and materials rate. DHS is seeking to establish a contract with the vendor at the initially agreed upon rates, but is realizing that other state agencies were quoted charges by the square foot, which could double the cost of these cleanings. This emergency contract would ensure that DHS is getting the best possible rate.

Estimated Cost - \$2,211,415.40 for the **Department of Innovation and Technology** to continue statewide contract coverage for legacy Micro Focus product licensing, licensing subscriptions, maintenance support and services for governmental units and qualified not-for-profit agencies that depend on not having a lapse in coverage.

Estimated Cost - \$3,294,406.40 for the **Department of Innovation and Technology** to identify and assess any potential compromises and to enhance the security of the state server, desktop and laptop systems in response to increasingly severe and frequent ransomware attacks.

Estimated Cost - \$1,365,200.00 for the **Department of Innovation and Technology** to acquire BeyondTrust licenses and services. (No additional information describing what these supplies/services are used for was given in the emergency purchase statement).

Actual Cost - \$2,579,307.80 for the **Department of Innovation and Technology** to purchase Quest licenses and services. (No additional information describing what these supplies/services are used for was presented in the emergency purchase statement).

Estimated Cost - \$8,000,000.00 for the **Department of Innovation and Technology** to procure 12 months of Cisco SmartNet Maintenance coverage for hardware, 12-month Enterprise license agreements for DoIT Security Division, and 12-month Enterprise license agreements for Illinois Century Network.

Estimated Cost - \$2,152,800.00 for the **Department of Innovation and Technology** to purchase new laptops from a vendor in Chicago to replace unsupported operating systems that are vulnerable to cybersecurity breaches. Due to a rise in these types of breaches, it is crucial to get these devices replaced immediately. The vendor has the quantity available that meets DoIT's requirements whereas the current vendor under contract cannot meet that need.

Estimated Cost - \$6,136,000.00 for the **Department of Innovation and Technology** to purchase 4,000 new laptops to replace old devices with outdated and unsupported operating systems. Unsupported operating systems are highly vulnerable to cyber security breaches, so it is important to get these devices replaced as quickly as possible. The current laptop vendor cannot meet quantity needs due to the computer chip shortage.

Estimated Cost - \$4,739,000.00 for the **Department of Innovation and Technology** to procure 2,500 new laptops, docking stations, keyboard and mouse sets and cases to replace aging devices that are susceptible to cyber security breaches because of outdated operating systems. The current laptop vendor cannot meet quantity needs due to the computer chip shortage.

Estimated Cost - \$12,000,000.00 to the **Department of Innovation and Technology** for hardware, support and maintenance related to the State's enterprise VoIP system which currently supports more than 30,000 phones, 280+ video conferencing systems and multiple emergency and non-emergency VoIP call centers.

Estimated Cost - \$4,940,000.00 for the **Department of Innovation and Technology** to purchase an additional 2,500 new laptops, docking stations, keyboard and mouse sets, and cases to replace aging devices that are susceptible to cyber security breaches because of outdated operating systems. The current laptop vendor cannot meet quantity needs due to the computer chip shortage.

Actual Cost - \$3,345,335.80 for the **Department of Transportation** to resurface the HMA surface on I-270 between IL 3 and I-55 in the St. Louis Mero East area due to age and moisture that has entered various layers. The pavement was being monitored and the conditions continued to worsen so the decision to repair was made before the asphalt plants closed for the season and the winter conditions accelerated the deterioration.

Estimated Cost - \$1,840,000.00 for the **Capital Development Board**, on behalf of the **Department of Human Services**, to provide office space to CMS as the result of pending construction to be done on the North Wing of the Capitol Building.

Estimated Cost - \$2,036,000.00 for the **Capital Development Board**, on behalf of the **Department of Public Health**, to purchase new elevators at the flagship public health laboratory as the old ones had substantially deteriorated resulting in multiple calls to the Chicago Fire Department to have trapped employees extricated. This lab provides critical services to the public through the daily processing of approximately 5,000 nasal swab specimens via IDPH's PCR test.

Estimated Cost - \$2,000,000.00 for the **Capital Development Board**, on behalf of the **Department of Corrections**, to procure construction services to provide reliable and code compliant elevators at the Dixon Correctional Center. The 54 year-old elevators are constantly breaking down and finding major electrical and mechanical components to fix them is becoming impossible due to technical and commercial obsolescence.

Travel Control

The Legislative Audit Commission has the responsibility to monitor the quarterly reports of the various travel control boards established pursuant to statute. There are 10 separate boards governing the employees of the legislative branch, each constitutional officer, the State Board of Education, and higher education institutions. The chairs of the 10 travel control boards together comprise the Travel Regulation Council. The Travel Regulation Council establishes the State travel regulations and reimbursement rates, which shall be applicable to all personnel subject to the jurisdiction of the various travel control boards. These 10 travel control boards have the duty to establish the maximum rate permitted for the reimbursement of their respective employee travel expenses which may be more restrictive than those established by the Council.

Each State agency is required to file reports of all of its officers and employees for whom official headquarters have been designated at a location other than that at which official duties require them to spend the largest part of their working time. Such reports are to be filed semi-annually with the Legislative Audit Commission and the Commission is to comment on all such reports.

A summary of travel headquarter reports for 2021 and the number of individuals who spend the largest part of their working time away from their designated headquarters appears in Appendix D on pages 36-38.

Bids Awarded to Other Than the Lowest Bidder

As a result of PA 96-795, the Legislative Audit Commission reviews information on the awarding of contracts to other than the lowest bidder. The statute states that a contract shall be awarded to the lowest responsible and responsive bidder except when a State purchasing officer

determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The written explanation shall appear in the Illinois Procurement Bulletin and be filed with the Legislative Audit Commission and the Procurement Policy Board. The Audit Commission received no notices that agencies awarded contracts to other than the lowest bidders in 2021.

University Guidelines

The University Guidelines is a document authored by the Legislative Audit Commission and used at the public universities for auditing purposes. The Guidelines assure the fidelity, accountability, and conformity of the financial practices of the universities necessitated by the use of a wide range of financial instruments at the various universities. The universities agreed to abide by the University Guidelines in 1982 and again in 1998. The Legislative Audit Commission may amend the Guidelines; they are not statutory. With the agreement of the universities, the Audit Commission amended the Guidelines in 2020 to provide a one-year exemption for FY2021 from expenditure restrictions for indirect cost recovery to provide a way for the universities to better manage the financial challenges caused by the COVID-19 pandemic.

Audit of the Office of the Auditor General

The Legislative Audit Commission is responsible for the biennial compliance examination of the Office of the Auditor General, which is performed by independent certified public accountants under a contract with the Commission. The auditors follow the same instructions and standards applicable to all audits performed pursuant to the Illinois State Auditing Act. To assure the independence of the examination, the Commission requires that the contract auditor cannot participate in the audit program administered by the Auditor General. In addition, after the completion of three examinations, a different firm must be selected. The most recent compliance examination covered the two years ended June 30, 2021. There were no material or immaterial findings of noncompliance disclosed during the auditors' tests.

Rules and Regulations of the Office of the Auditor General

The Legislative Audit Commission has oversight responsibility for rulemakings of the Auditor General. The Commission is given an opportunity, by statutory authority, to comment on all proposed rules of the Office. The Auditor General's Office adopted one new rulemaking in CY21 regarding the Regional Offices of Education (ROEs) and the Intermediate Services Centers' (ISCs) use of the accrual basis of accounting to conform to the change in law in HB1934 sponsored by Representative McCombie and Senator Ellman.

Fiscal Control and Internal Auditing Act (FCIAA) Checklist

As a result of P.A. 86-336, the LAC was tasked with approving guidelines for internal control review purposes used at each state agency. These guidelines were established by the IOC in conjunction with the Director of CMS. The LAC approved the first publication of the guidelines (or checklist) at its meeting on April 23, 1990. According to the statute, the guidelines “may be modified, as needed, with the Commission’s approval” (30 ILCS 10/3002).

CMS in conjunction with the IOC created an updated version of the guidelines that more specifically meets the needs of the state’s various, diverse agencies while also making them more applicable for the present day needs of internal control at the agencies. The LAC approved these updates at its meeting on May 5, 2021.

Office of the Legislative Audit Commission

Audit Commission members monitor all expenditures of the Audit Commission. The following is a summary of expenditures made from appropriations for Fiscal Year 2021 and an interim report as of January 1, 2022.

I. Financial Statement - Year Ended June 30, 2021			
<u>Expenditure Object</u>	<u>Appropriation</u>	<u>Expended</u>	<u>Lapsed</u>
Personal Services		\$ 227,706.45	
Retirement, Employer		7,613.63	
Social Security		16,307.67	
Contractual Services		6,031.67	
Travel		1,164.00	
Commodities		957.45	
Printing		360.00	
Equipment		14,319.16	
Electronic Data Processing		35.36	
Telecommunications		692.93	
*Interest Prompt Payment (included in above line items)		<u>-0-</u>	
TOTAL	\$ <u>275,600.00</u>	\$ <u>275,188.32</u>	\$ <u>411.68</u>
II. Status of FY22 Appropriation at January 1, 2022			
<u>Expenditure Object</u>	<u>Appropriation</u>	<u>Expended</u>	<u>Balance</u>
Personal Services		\$ 113,529.48	
Retirement, Employer		4,190.28	
Social Security		7,813.56	
Contractual Services		2,363.33	
Travel		228.48	
Commodities		112.96	
Printing		587.50	
Equipment		-0-	
Electronic Data Processing		-0-	
Telecommunications		305.23	
*Interest Prompt Payment (included in above line items)		<u>-0-</u>	
TOTAL	\$ <u>325,600.00</u>	\$ <u>129,130.82</u>	\$ <u>196,469.18</u>

There were no material findings of noncompliance disclosed in the compliance examination of the Legislative Audit Commission performed by the Office of the Auditor General for the two years ended June 30, 2019.

APPENDIX A
**Financial Audits, Compliance Examinations, Performance Audits,
Single Audits, and Other Reports (Received)**

CONSTITUTIONAL OFFICERS

Office of the Attorney General (FY19-20)
Office of the Comptroller
 Fiscal Officer Responsibilities (FY21)
 Non-Fiscal Officer Responsibilities (FY19-20)
 Financial Report on Internal Control and Compliance (FY20)
Office of the Secretary of State (FY20)
Office of the State Treasurer
 College Savings Program (FY20)
 Fiscal Officer Responsibilities (FY19-20, FY21)
 Illinois Achieving a Better Life Experience Program (FY20)
 Illinois Secure Choice Savings Program (FY20)
 The Illinois Funds (FY20)

JUDICIAL

Judges' Retirement System (FY20)
Judicial Inquiry Board (FY19-20)
Office of the State Appellate Defender (FY19-20)
Office of the State's Attorney Appellate Prosecutor (FY19-20)

CODE DEPARTMENTS

Department of Central Management Services (FY20)
 Community College Health Insurance Security Fund (FY20)
 Illinois State Employees' Deferred Compensation Plan (FY20)
 Local Government Health Insurance Reserve Fund (FY20)
 State Employees Group Insurance Program (FY20)
 Teacher Health Insurance Security Fund (FY20)
Department of Children & Family Services (FY19-20)
Department of Commerce & Economic Opportunity (FY19-20)
Department of Corrections (FY19-20)
Department of Financial & Professional Regulation (FY19-20)
Department of Healthcare & Family Services (FY20)
Department of Human Services (FY20)
Department of Innovation & Technology (FY19-20)
 Information Technology Hosting Services (FY21)
 Enterprise Resource Planning System (FY21)
 System & Organization Control Report (FY21)
Department of Insurance (FY19-20)
Department of Juvenile Justice (FY19-20)

Department of Lottery (FY20)
Department of Military Affairs (FY19-20)
Department of Natural Resources (FY19-20)
 Conservation Foundation (FY21)
Department of Revenue (FY20)
Department of Transportation (FY19-20)
Department of Veterans' Affairs (FY19-20)
Illinois Department of Employment Security (FY20)
Illinois Department on Aging (FY19-20)
Illinois State Police (FY19-20)
 State Asset Forfeiture Fund (FY19-20)
 Statewide 9-1-1 Fund & Wireless Carrier Reimbursement Fund (FY19-20)

LEGISLATIVE AGENCIES

General Assembly Retirement System (FY20)
Joint Committee on Administrative Rules (FY19-20)
Legislative Ethics Commission (FY19-20)
Legislative Information System (FY19-20)
Office of the Legislative Inspector General (FY19-20)

OTHER AGENCIES

Capital Development Board (FY20)
Deaf and Hard of Hearing Commission (FY18-19)
Environmental Protection Agency (FY19-20)
 Water Revolving Fund (FY20)
 Trust Fund Commission (FY19-20)
Guardianship & Advocacy Commission (FY18-19)
Illinois Commerce Commission – Wireless Emergency Telephone Safety Act (FY19-20)
Illinois Community College Board (FY19-20)
Illinois Council on Development Disabilities (FY18-19)
Illinois Education Labor Relations Board (FY18-19)
Illinois Emergency Management Agency (FY18-19)
Illinois Finance Authority (FY20) (FY21)
Illinois Gaming Board (FY21)
Illinois Housing Development Authority (FY20)
Illinois Joining Forces Foundation (FY19)
Illinois Law Enforcement Training and Standards Board (FY19-20)
Illinois Mathematics and Science Academy (FY20)
IMSA Fund for Advancement of Education (FY20)
Illinois Power Agency (FY19-20) (FY20)
Illinois Prisoner Review Board (FY19-20)
Illinois Racing Board (FY19-20)
Illinois State Board of Education (FY19-20)
Illinois State Board of Investment (FY21)

Illinois State Toll Highway Authority (FY20)
Illinois Student Assistance Commission (FY19-20)
Pollution Control Board (FY19-20)
Procurement Policy Board (FY19-20)
Railsplitter Tobacco Settlement Authority (FY19-20)
Roseland Community Medical District Commission (FY19-20)
Sex Offender Management Board (FY19-20)
Southwestern Illinois Development Authority (FY19-20)
State Employees' Retirement System (FY20)
 Pension Schedules (FY20)
State Fire Marshal (FY19-20)
Teachers' Retirement System (FY20, FY21)
 Allocation of Pension Amounts (FY20)

HIGHER EDUCATION

Chicago State University (FY20)
Eastern Illinois University (FY20)
Governors' State University (FY20)
Illinois State University (FY20)
Northeastern Illinois University (FY19-20) (FY20)
Northern Illinois University (FY20)
Southern Illinois University (FY20)
 Housing & Auxiliary Facilities System & Medical Facilities System (FY20)
State Universities Retirement System (FY20) (FY21)
 Allocation of Pension Amounts (FY20)
Western Illinois University (FY20)

REGIONAL OFFICES OF EDUCATION

Adams, Brown, Cass, Morgan, and Pike Counties, No. 1 (FY20)
Bond, Christian, Fayette, Effingham and Montgomery Counties, No. 3 (FY20)
Boone and Winnebago Counties, No. 4 (FY17)
Carroll, Jo Daviess, and Stephenson Counties, No. 8 (FY20)
Champaign and Ford Counties, No. 9 (FY20)
Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties, No. 11
 (FY20)
Clay, Crawford, Jasper, Lawrence, and Richland Counties, No. 12 (FY20)
Clinton, Jefferson, Marion, and Washington Counties, No. 13 (FY18)
DeKalb Counties, No. 16 (FY20)
DeWitt, Livingston, Logan and McLean Counties, No. 17 (FY20)
Edwards, Gallatin, Hamilton, Hardin, Pope, Saline, Wabash, Wayne, and White
Counties,
 No. 20 (FY20)
Franklin, Johnson, Massac, and Williamson Counties, No. 21 (FY20)
Grundy and Kendall Counties, No. 24 (FY20)
Fulton, Hancock, McDonough, and Schuyler Counties, No. 26 (FY20)
Bureau, Henry and Stark Counties, No. 28 (FY20)
Alexander, Jackson, Perry, Pulaski and Union Counties, No. 30 (FY19)

Kane County, No. 31 (FY20)
Iroquois and Kankakee Counties, No. 32 (FY20)
Henderson, Knox, Mercer, and Warren Counties, No. 33 (FY20)
Lake County, No. 34 (FY19)
LaSalle, Marshall and Putnam Counties, No. 35 (FY20) (FY21)
Macon and Piatt Counties, No. 39 (FY20)
Calhoun, Greene, Jersey, and Macoupin Counties, No. 40 (20)
Madison County, No. 41 (FY20)
Monroe and Randolph Counties, No. 45 (FY20)
Lee, Ogle, and Whiteside Counties, No. 47 (FY18)
Peoria County, No. 48 (FY20)
Rock Island County, No. 49 (FY20)
St. Clair County, No. 50 (FY20)
Sangamon and Menard Counties, No. 51 (FY19) (FY20)
Mason, Tazewell, and Woodford Counties, No. 53 (FY20)
Vermillion, No. 54 (FY20)
Intermediate Service Center No 1 (FY20)
Intermediate Service Center No 2 (FY17)
Intermediate Service Center No. 4 (FY20)

**OTHER
ANNUAL**

Review of Information Submitted by the Chicago Transit Authority's Retiree Health Care Trust (Dec. 15, 2021)
Review of Information Submitted by the Retirement Plan for Chicago Transit Authority Employees (Nov. 23, 2021)

PERFORMANCE AUDITS

Illinois Department of Children & Family Services – LGBTQ Youth in Care (Feb. 2021)
Illinois Power Agency – Future Energy Jobs Act (May 11, 2021)
Illinois Prescription Monitoring Program (Sept. 15, 2021)
Office of the Inspector General Department of Human Services (Jan. 2021)
Vendor Payment Program (June 29, 2021)

MANAGEMENT AUDITS

Firearm Owner's Identification Card and Concealed Carry License Programs (Sept. 29, 2021)
State Actuary's Report of the Actuarial Assumptions and Valuations of the State-Funded Retirement Systems (Dec. 22, 2021)

STATEWIDE SINGLE AUDITS

Statewide Single Audit (FY20)

APPENDIX B
Agencies Appearing Before the Commission

	<u>Audit Recommendations</u>	
	<u>Total</u>	<u>Repeated</u>
<u>CODE DEPARTMENTS</u>		
Department on Agriculture FY17-18 Compliance Examination	21	13
Department of Employment Security FY18-19 Compliance Examination and Financial Audit	15 5	8 3
FY19 Single Audit	10	7
Department of Financial and Professional Regulation FY19-20 Compliance Examination	14	6
Illinois State Police FY19-20 Compliance Examination	32	11
<u>OTHER</u>		
Abraham Lincoln Presidential Library & Museum FY18-19 Compliance Examination	15	0
Chicago State University FY20 Single Audit & State Compliance Examination	14	3
FY20 Financial Audit	3	0
Guardianship & Advocacy Commission FY18-19 Compliance Examination	14	5
McHenry County - Regional Office of Education #44 FY19 Financial Audit	5	5
Northeastern Illinois University FY20 Single Audit & State Compliance Examination	20	14
FY20 Financial Audit	3	0
<u>MANAGEMENT, PERFORMANCE AND OTHER AUDITS</u>		
Department of Children and Family Services – LGBTQ Youth in Care Performance Audit	16	

Firearm Owner's Identification Card and Concealed Carry License Programs – Management Audit	6	
FY18 Statewide Single Audit	80	59
Illinois Comptroller's Office & Department of Central Management Services – Updated FCIAA Checklist		

APPENDIX C
Emergency Purchase Transactions
Calendar Year 2021

	Purchases		Estimated/Updated Cost
Constitutional Offices			
Office of the Auditor General	1	\$	142,100.00
Secretary of State	1	\$	750,000.00
Code Departments			
Central Management Services	11	\$	25,815,280.99
Commerce and Economic Opportunity	1	\$	36,000.00
Corrections	18	\$	17,413,582.70
Juvenile Justice	2	\$	93,000.00
Employment Security	1	\$	866,000.01
Financial and Professional Regulation	2	\$	301,875.00
Healthcare and Family Services	1	\$	23,874.37
Human Services	15	\$	4,593,962.00
Innovation and Technology	28	\$	56,218,028.88
Military Affairs	2	\$	70,429.82
Natural Resources	6	\$	591,284.15
Public Health	3	\$	201,125.00
State Police	5	\$	528,397.18
Transportation	3	\$	3,386,375.80
Veterans' Affairs	2	\$	97,500.00
All Other Agencies			
Capital Development Board	25	\$	10,588,112.00
State Board of Elections	1	\$	75,000.00
Toll Highway Authority	2	\$	893,618.50
Higher Education			
Board of Higher Education	1	\$	80,000.00
Northern Illinois University	1	\$	248,976.00
University of Illinois	6	\$	3,039,096.99
Total	138	\$	126,053,619.39

APPENDIX D
Travel Headquarter Reports
December 31, 2021

CONSTITUTIONAL OFFICERS	<u>Reported</u>
Attorney General	0
Auditor General	0
Comptroller	9
Office of the Governor	
Executive Ethics Commission	0
Inspector General	0
Lieutenant Governor	0
Secretary of State	272
State Treasurer	0
JUDICIAL AGENCIES	
Administrative Office of the Illinois Courts	NR
Judges' Retirement System	NR
Judicial Inquiry Board	0
State Appellate Defender	27
State's Attorney Appellate Prosecutor	14
Supreme Court Historic Preservation Commission	0
Court of Claims	0
LEGISLATIVE AGENCIES	
Commission on Government Forecasting & Accountability	0
General Assembly	
House – Democratic Clerk/Fiscal	0
House Democrat Leadership	6
House – Republican	0
Senate	0
Retirement System	NR
Joint Committee on Administrative Rules	0
Legislative Audit Commission	0
Legislative Ethics Commission	0
Legislative Information System	0
Legislative Inspector General	3
Legislative Printing Unit	0
Legislative Reference Bureau	0
Office of the Architect of the Capitol	0
CODE DEPARTMENTS	
Department on Aging	0
Department of Agriculture	193
Department of Central Management Services	51

Department of Children and Family Services	0
Department of Commerce and Economic Opportunity	37
Department of Corrections	454
Department of Juvenile Justice	59
Department of Employment Security	3
Department of Financial and Professional Regulation	102
Department of Healthcare and Family Services	4
Department of Human Rights	0
Department of Human Services	150
Department of Innovation & Technology	0
Department of Insurance	38
Department of Labor	9
Department of Lottery	0
Department of Military Affairs	6
Department of Natural Resources	NR
Department of Public Health	477
Department of Revenue	0
Department of State Police	170
Department of Transportation	1204
Department of Veterans' Affairs	0

OTHER AGENCIES

Abraham Lincoln Presidential Library & Museum	0
Arts Council	NR
Capital Development Board	NR
Civil Service Commission	0
Commerce Commission	37
Criminal Justice Information Authority	0
Deaf and Hard of Hearing Commission	0
Educational Labor Relations Board	5
Emergency Management Agency	0
Environmental Protection Agency	5
Executive Ethics Commission	0
Governor's Office of Management and Budget	0
Guardianship & Advocacy Commission	0
Housing Development Authority	11
Human Rights Commission	NR
Illinois Board of Examiners	10
Illinois Finance Authority	1
Illinois Gaming Board	0
Illinois Power Agency	1
Illinois Law Enforcement Training & Standards Board	5
Illinois Racing Board	0
Independent Tax Tribunal	0
Labor Relations Board	0
Math & Science Academy	0

Planning Council on Developmental Disabilities	0
Pollution Control Board	0
Prisoner Review Board	14
Procurement Policy Board	0
Property Tax Appeal Board	0
State Board of Education	0
State Board of Elections	8
State Board of Investment	0
State Fire Marshal	92
State Employees' Retirement System	0
State Police Merit Board	5
State Toll Highway Authority	0
Teachers' Retirement System	0
Workers' Compensation Commission	10

HIGHER EDUCATION

Board of Higher Education	NR
Chicago State University	12
Community College Board	0
Eastern Illinois University	42
Governors State University	0
Illinois State University	28
Illinois Student Assistance Commission	0
Northern Illinois University	227
Northeastern Illinois University	0
Southern Illinois University	0
State Universities Civil Service System	1
State Universities Retirement System	0
University of Illinois	0
Western Illinois University	46

*NR = No report submitted for the period ending December 31, 2021.