

# LEGISLATIVE AUDIT COMMISSION



Review of  
Department of Public Health  
Two Years Ended June 30, 2011

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**REVIEW: 4386**  
**DEPARTMENT OF PUBLIC HEALTH**  
**TWO YEARS ENDED JUNE 30, 2011**

**FINDINGS/RECOMMENDATIONS - 17**

**ACCEPTED - 10**  
**IMPLEMENTED - 6**  
**UNDER STUDY - 1**

**REPEATED RECOMMENDATIONS - 11**

**PRIOR AUDIT FINDINGS/RECOMMENDATIONS - 22**

This review summarizes the auditors' report of the Illinois Department of Public Health for the two years ended June 30, 2011, filed with the Legislative Audit Commission May 9, 2012. The auditors performed a compliance examination in accordance with State law and *Government Auditing Standards*.

The Department of Public Health promotes the health of the people of Illinois through the prevention and control of disease and injury. The Department, in partnership with local health departments and other agencies, employs population-based approaches in its prevention programs. The Department carries out its mission through seven major program areas: Policy, Planning and Statistics; Health Promotion; Health Care Regulation; Health Protection; Women's Health; Men's Health; and Preparedness and Response.

During the two-year period under review, Dr. Damon T. Arnold was the Director of the Department. Dr. Arnold resigned on September 30, 2011 and Dr. Craig Conover became Acting Director until Dr. LaMar Hasbrouck was appointed Director effective April 23, 2012. Dr. Hasbrouck was not previously employed by the Department.

The average number of employees was:

<b>Division</b>	<b>FY11</b>	<b>FY10</b>	<b>FY09</b>
Director's Office	70	71	71
Office of Preparedness and Response	46	46	47
Office Finance and Administration (IT)	117	125	133
Office of Policy, Planning and Statistics	73	70	74
Office Health Promotion	50	52	54
Office of Health Care Regulation	318	304	310
Office Health Protection (Laboratories)	389	399	404
Office of Women's Health	22	22	24
<b>TOTAL</b>	<b>1,085</b>	<b>1,092</b>	<b>1,117</b>

## **Expenditures From Appropriations**

The General Assembly appropriated \$556,888,968 to the Department in FY11. Of the total appropriation, \$141 million was from the General Revenue Fund, and the remaining \$415.9 million was from 49 other funds. Total expenditures were \$314,971,791 in FY11 compared to \$368,982,773 in FY10, a decrease of \$54 million, or 14.6%. Appendix A presents a summary of appropriations and expenditures for FY11-FY09 by both fund and major object code. The majority of appropriations for FY11 were made in lump sums; therefore, the description of expenditures by Major Object is less detailed for FY11 than for FY10. Expenditures from most funds showed small changes from FY10 to FY11. Some of the significant changes in expenditures were as follows:

- \$13 million decrease in GRF for lump sum operations.
- \$32.9 million decrease in the Public Health Services Fund for lump sums and grants and awards.
- \$5 million decrease in the Tobacco Settlement Recovery Fund because the \$2 million Youth Violence Prevention grant was eliminated; funds for Sickle Cell grant for \$1.9 million came from GRF; and the Office of Health Promotion spent \$2 million less from the Tobacco Settlement Recovery Fund while another grant line increased about \$1 million.
- \$2.1 million increase for Metabolic Screening and Testing.

According to the audit report, more than \$15 million was swept from at least seven Public Health Funds during the two-year audit period. About \$8.3 million was swept under PA96-044 which allowed transfers from special State funds to the Department's portion of GRF to preserve liquidity within GRF. These funds do not require repayment. Approximately \$6.9 million was authorized to be borrowed by PA96-058 from other Public Health funds to maintain liquidity in GRF and the Common School Fund. These funds require repayment.

Lapse period expenditures were \$48.68 million, or 15.4%.

## **Cash Receipts**

The Department of Public Health has collection responsibility for licenses, fees, or other types of revenue that are deposited into the General Revenue Fund. The Department's General Revenue Fund cash receipts increased from about \$2 million in FY10 to about \$2.2 million in FY11. Overall receipts decreased from \$200 million in FY10 to \$189.2 million in FY11. Appendix B provides a summary of the Department's cash receipts. Most of the Department's receipts are from federal grant revenue (\$141.9 million) and fees and licenses (\$27.7 million).

### **Changes in State Property**

Appendix C provides a summary of the changes in State property for which the Department was accountable during FY11 and FY10. The value of the Department's property decreased from \$27,410,148 as of July 1, 2009 to \$25,445,797 as of June 30, 2011. The Department's property is entirely comprised of equipment.

### **Activities and Performance Indicators**

Appendix D provides a summary of the Department's activities and performance indicators. The information was taken directly from the Agency's Service Efforts and Accomplishments forms for FY11 and FY10.

### **Accountants' Findings and Recommendations**

Condensed below are the 17 findings and recommendations included in the audit report. Eleven were repeated from prior audits. The following updated responses are presented on the basis of updated information provided by Dr. LaMar Hasbrouck, Director of the Department of Public Health, via electronic mail received January 11, 2013.

#### **Accepted or Implemented**

- 1. Develop a comprehensive grant administration program that includes the development and implementation of written procedures over the awarding and monitoring of all grant awards; reviewing the programmatic and financial reports of grant recipients; scheduling, conducting, and documenting grantee site visits; and, collecting refunds in a timely manner, if necessary. If a comprehensive grants management software package is acquired, these elements should be considered in the implementation. (Repeated-2007)**

**Finding:** The Department of Public Health (Department) did not adequately administer its awards and grants programs.

During fiscal years 2010 and 2011, the Department expended over \$73 million, or 11%, of its approximately \$685 million total expenditures for awards and grants. Auditors sampled 16 grant programs from nine offices and noted the following weaknesses:

- The Department does not have written procedures established to guide its administration of the awards and grants programs tested by the auditors. One of 143 grants tested had a required site visit in their grant agreement but there was no site visit completed by the Department. Further, desk reviews for 21 of 143 grants tested were not completed within a year or later of the end of the grant period.

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### Accepted or Implemented – continued

- The Department requires grantees to submit certain documentation according to the guidelines of the grant agreements. Eighteen of 143 grants totaling \$1,772,220 were missing documentation from the grant file that was required according to the grant agreements.
- For 20 of 143 (14%) grants totaling \$2,298,444, grant files contained improper documentation.

Department management stated a comprehensive grants management software package is also being researched. Department management attributed the grant administration weaknesses identified in the examination, which it emphasized as the majority being related to FY10 grants, to staff shortages, workload demands and resultant documentation date stamping issues.

**Response:** Accepted. The Department is in the process of drafting comprehensive rules to formalize the grants review process as well as to address other related issues that currently affect IDPH in its handling of grants. The Department is also in the process of finalizing a comprehensive Grants Procedure Manual, which contains detailed guidelines for grant monitoring. In addition, the Department is going through the initial procurement steps to purchase an electronic grant management system (eGMS). An eGMS, which will be used by external applicants and IDPH staff, will completely re-engineer and improve the current grant management processes including the review of programmatic and financial reports of grantees. Although the eGMS will not replace the necessity of site visits, it will be an important tool that will help alert staff when site visits may be necessary.

**Updated Response:** Accepted. In addition to internal procedural changes including an improved review process and a standardized application process, the Department collaborated with CMS on a RFP for an Electronic Grants Management System (eGMS). The RFP was published on 8/9/12, proposals were due 9/14/12 and an award was made on 9/24/12. Contract preparation and final negotiation is ongoing with work to commence immediately thereafter.

### **2. Require and maintain sufficient documentation to ensure that all billed contracted services have been provided and that the expenditures are reasonable and necessary for services received. (Repeated-2007)**

**Finding:** The Department did not have adequate support for Interagency Agreements with the Office of the Governor detailing the methodology for determining the allocation to be paid by the Department for legal services provided to the State.

During the examination period, the Department processed 48 vouchers totaling \$115,453 for legal expenses. Auditors sampled 12 vouchers and noted seven (58%) totaling \$21,412

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pertained to Interagency Agreements and did not have adequate support for the method of determining the amount allocated to the Department to pay.

**Response:** Accepted. IDPH will continue to work with the Governor's Office to obtain sufficient documentation for any legal services allocations in order to be consistent with the Statewide Accounting Management System. In doing so, IDPH will ensure that all billed contracted services have been provided and the expenditures are reasonable and necessary for legal services received by IDPH. However, in seeking to fulfill this task, IDPH, the Governor's Office, and other State agencies will likely continue to encounter the unforeseen and difficult nature of accurately determining shares within a diverse assortment of litigation when multiple agencies are involved.

**Updated Response:** The Department's Chief Counsel reports that no legal services IGAs with the Governor's Office are currently in place and the finding is no longer applicable.

- 3. Comply with SAMS requirements to ensure accurate financial information is submitted to the Office of the Comptroller. Further, review and revise, as necessary, the current system used to gather and document the financial information that will be reported in the GAAP package. (Repeated-2003)**

**Finding:** The Department did not correctly report financial information for immunization grants on the Grant/Contract Analysis (SCO-563) form to the Office of the Comptroller.

During testing, auditors noted the Department inaccurately reported the non-cash award for one SCO-563 form, overstating receipts and expenditures by \$344,000. Testing noted the Department utilized distribution reports from the third party distributor, but did not accurately calculate the price per dose for the amounts received throughout the fiscal year. Department management stated program staff utilized an average cost basis for the price of vaccines, which varied slightly from the actual cost of the vaccines on a month by month basis.

**Updated Response:** Implemented. The Department's Immunization Section has taken the necessary steps to fully comply with the auditor's recommendation. Program staff now calculates the value of vaccines received and distributed based on their cost at the time of distribution using the CDC Vaccine Price List.

- 4. Carefully review and report capital assets, including capital asset accounts payable, accurately and in accordance with the procedures outlined in the SAMS manual. Also, ensure the correction of the 2011 understatement is properly processed with the FY12 GAAP forms. (Repeated-2005)**

**Accepted or Implemented – continued**

**Finding:** The Department did not accurately report accounts payable for capital assets on the SAMS to GAAP Reconciliation (SCO-537) form to the Office of the Comptroller for FY11.

Auditors noted the Department's ending accounts payable balance for capital assets at June 30, 2011 did not agree to the accounts payable records maintained by the Department. Because the accounts payable for capital assets represented the additions for FY2011, the Department's total capital assets were understated by \$15,000 at June 30, 2011.

Department management attributed the error identified in the FY11 forms to human error, as an incorrect number was retrieved from the supporting records.

**Updated Response:** Implemented. The correction was reported on the FY12 capital asset report (SC0538) as directed by the Comptroller's Office.

**5. Strengthen internal controls to ensure refunds are processed in compliance with the State statute. (Repeated-2007)**

**Finding:** The Department did not have adequate controls over the processing of refunds.

During the examination period, the Department processed 285 refunds totaling \$1,156,455. Auditors tested 40 refunds totaling \$413,547 and noted a general lack of documentation supporting the date of the refund check and the date the refund was received by the Department.

- Four refunds totaling \$22,435 were not deposited in a timely manner, ranging from one to 47 days late.
- Five refunds totaling \$49,222 could not be evaluated for the timeliness of the deposit because no dates were noted in the documentation provided.
- One refund totaling \$3,303 did not have a copy of the check or check stub included in the documentation.

Despite the new procedures, weaknesses in refund processing continued to exist within the current examination period. Department management attributed the current exceptions to increasing workload and staffing shortages.

**Response:** Accepted. The Department will continue improving our internal procedure to research the refund checks and to make deposits within the 24/48 hrs requirement. The

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Division of Accounting Services will work with the other divisions in the Department to reinforce the importance of researching these refund checks in a timely manner.

**Updated Response:** Accepted. The Department's fee receipt/validation unit now makes a copy of the referral check and date stamps that copy on the day it is received. The referral check is then validated that same day.

**6. Implement controls to ensure source documentation is maintained related to cash receipts. In addition, develop procedures to ensure receipt and cash records are reconciled in accordance with SAMS.**

**Finding:** The Department did not maintain supporting documentation for receipts. In addition, the Department did not properly reconcile federal receipts or the cash balance from Department records to those of the Comptroller.

Auditors tested 60 receipts totaling \$9,960,547 and noted the Department was unable to provide supporting documentation for seven receipts. One receipt can consist of multiple validation numbers. The seven receipts missing supporting documentation consisted of 57 validation numbers.

In addition, the Department did not properly reconcile federal receipts from its records to the Comptroller's Monthly Revenue Status Report (SB04). As a result, it was not possible for the Department to identify reconciling items between its records and those of the Comptroller at month-end. Also, the Department did not properly reconcile the cash balance per Department records to that of the Comptroller (SB05).

Department management attributed these weaknesses to increasing workloads and staffing shortages.

**Response:** Accepted. The Department has assigned additional staff time to perform the monthly reconciliation of the agency's federal receipts with the Comptroller's Office's SB04 and SB05. Staff has created a new deposit listing report that is generated on a monthly basis and used in reconciling these receipts. On a daily basis, accounting services staff send all validated and supporting documents to the respective program area. These areas are subsequently responsible for keeping the supporting documents to make sure all receipts validated have the necessary supporting documents on file.

**Updated Response:** Implemented. The Department is performing monthly reconciliation of cash recipients with the Comptroller's Office SB04 and SB05 reports. Program staff maintain the necessary supporting documentation in their respective receipt area and the department validates such receipts daily.

**Accepted or Implemented – continued**

- 7. Formally communicate recovery requirements to DCMS and establish and document guidelines that outline both the Department's and DCMS' responsibilities. Specifically, review and update the Disaster Recovery Plan. Coordinate with DCMS and perform and document tests of the Plan at least once a year. Additionally, continuously update the Plan to reflect environmental changes and improvements identified from tests. (Repeated-2005)**

**Finding:** The Department did not have a current Disaster Recovery Plan (Plan) and had not performed comprehensive disaster recovery testing.

The Department carries out its daily operations through the use of Information Technology. However, the Department had not submitted a list of their critical applications to the Department of Central Management Services (DCMS) since 2006. The Department had not conducted recovery testing of all its critical mainframe applications at the off-site location in the last five years, and had not submitted detailed recovery requirements to DCMS recently.

In addition, the Department would be unable to recover the web-portal (this would impact the ability of local health entities to submit critical public health information to the Department), due to lack of equipment and a recovery site.

The Department established a Plan, which "details the precise instructions and actions required to recover the time critical information technology systems and services." However, the Plan contained outdated information. The Department stated they rely on DCMS' disaster recovery procedures.

Many of the Department's IT functions were consolidated into DCMS, with a physical move of equipment in April 2007. As a result, the Department and DCMS have a shared responsibility over disaster recovery planning. Nevertheless, the Department has the ultimate responsibility to ensure it has the capability to recover its applications and data.

The Department stated that staffing challenges and the necessity to coordinate with DCMS have delayed the development of a disaster recovery plan.

**Response:** Accepted. The Department will formally communicate with CMS to determine consistent policies and procedures for Business Continuity, Recovery and Testing to ensure recovery capabilities of applications and data via the Business Continuity Management Team (BCMT).

The BCMT members continue to coordinate with each Office to determine procedures for identified business function recovery to include category and priority within the office. The latest documentation is currently stored on a shared directory structure by designated Office staff. The documentation includes procedures for implementing the plan in response to an event. The Department utilizes the State of Illinois Rapid Electronic Notification

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system to broadcast business continuity/emergency notification messaging to relevant Department personnel based upon the event. The BCMT staff continues to work loading plans and coordinating exercises and update access to the site with Office personnel on the IDPH SharePoint portal.

**Updated Response:** Accepted. In addition to continued efforts by the Department's Business Continuity Management Team which coordinates with office procedures for business function recovery, personnel recently attended an IT Disaster Recovery Workshop hosted by CMS. Templates for documenting IT requirements for business functions were obtained and will form the foundation of our tailored Disaster Recovery (DR) Plan. CMS will be involved and is a necessary partner to developmental test such a plan.

- 8. Immediately perform a detailed inventory of computer equipment; perform a detailed assessment to determine if any of the missing computers contained confidential information; and review current practices to determine if enhancements can be implemented to prevent the theft or loss of computers. Also, establish procedures to immediately assess if a computer may have contained confidential information whenever it is reported lost or stolen, and document the results of the assessment.**

**Finding:** The Department was not able to locate 75 computers during fiscal years 2010 and 2011. Several of these computers may have contained confidential information.

In its fiscal year 2010 Physical Inventory Report submitted to DCMS, the Department reported it was unable to locate 88 of 23,029 (0.4%) items totaling \$140,929. The discrepancy report indicated that \$56,582 of that amount was missing computer inventory. In its fiscal year 2011 Physical Inventory Report, the Department reported it was unable to locate 105 of 22,341 (0.5%) items totaling \$181,541. The discrepancy report indicated that \$39,292 of that amount was missing computer inventory.

Upon further inquiry with Department personnel, auditors noted the missing EDP equipment consisted of 32 desktop computers and 43 laptop computers. Of these computers, two laptops were reported stolen. The Department considers the remaining computers to be lost. Department personnel were not able to provide property transfer forms or any other documentation indicating what happened to the computers.

In addition, the Department did not perform a detailed assessment and therefore was unable to determine whether the missing computers contained confidential information. The Department had not protected all its computers with encryption software, thus increasing the risk that confidential or personal information could be exposed.

Department personnel stated, given changing technology and computer equipment rapidly becoming outdated, equipment can sometimes be surplus or swapped without corresponding paperwork to track the equipment.

**Accepted or Implemented – continued**

**Response:** Accepted. The Department is currently performing a review of computer equipment inventory. IT Coordinator's will be required to determine if any missing computers contained confidential information and report the findings to IT Security. IT Security & Procurement sections will work with Property Services to review current practices to determine any enhancements that may be implemented to prevent theft or loss of computers and to ensure all surplus paperwork is processed. The Department currently complies with the CMS Laptop Data Encryption Policy that states "All new laptops issued must be equipped with full-disk encryption."

**9. Enforce policies and procedures concerning the prior approval and documentation of employee overtime. If necessary, modify formal controls to ensure overtime is necessary and properly approved prior to incurring expenditures or accruing compensatory time.**

**Finding:** Department employees worked overtime during the examination period without proper prior approval and documentation.

Auditors tested a sample of 40 employees and reviewed each person's overtime for two pay periods. The employees in the sample incurred 912 hours of overtime during the two pay periods tested. Based upon a review of the Request for Overtime/Alternate Reimbursement forms, auditors noted the following weaknesses concerning the lack of prior approval and documentation of employee overtime:

- Two employees had incomplete request dates on their Request for Overtime/Alternate Reimbursement form, thus it was unknown for what days the employees were requesting to work overtime.
- 15 employees requested overtime approval after the overtime was worked.
- Overtime for 27 employees was approved by their supervisor after it was worked.
- A Request for Overtime/Alternate Reimbursement form was signed by the supervisor for three employees, but not dated.
- A Request for Overtime/Alternate Reimbursement form existed for three employees but it was not signed or dated by their supervisor.

Multiple exceptions were noted concerning 17 of the 40 (43%) employees tested.

According to Department management, employees are not always capable of obtaining prior overtime approval due to unforeseen circumstances, such as computer issues, nursing home complaints, or food breakouts. Department personnel added that in each situation, the employee will obtain a verbal confirmation from their supervisor.

**Updated Response:** The Department continues to utilize a new process of email approval (in addition to normal overtime approval forms) if the need for overtime is urgent or unforeseen. The Department is also on the schedule with DCMS to initiate their web based electronic time keeping system (e-time) and is awaiting a start date from DCMS.

**10. Ensure annual performance evaluations are completed in a timely manner for all employees. (Repeated-2007)**

**Finding:** The Department did not perform employee performance evaluations on a timely basis.

During a review of 120 performance evaluations for 60 employees, auditors noted 56 of 120 (47%) were not completed in a timely manner. The delinquency ranged from one to 368 days late. 15 of the 56 (27%) delinquent evaluations had not been performed at all as of the date of testing. Eight of the 56 (14%) delinquent evaluations were performed for a period in excess of 12 months. Three of the 56 delinquent evaluations were 21 to 83 days late for the employee's final six-month probationary period.

Despite procedures and reiterated communication by management that performance evaluations are important, Department supervisors continue to be unsuccessful in performing timely evaluations. Department management attributed the untimely evaluations to pressing workload demands that must be handled despite significant staffing limitations. In addition, management cited an increasing percentage of union supervisors, which requires a much higher level of involvement in the evaluation process by senior managers.

**Response:** Accepted. The Department has begun including the Director's Office in the notification process for evaluations coming due and for those that are past due in an effort to emphasize the importance of prompt evaluations. Additionally, we are working with the Central Management Services (CMS) Labor Relations negotiations' team to explore the opportunities to have union supervisors handle performance evaluations and thereby expand the number of people who can prepare them.

**Updated Response:** In addition to internal procedures and notifications, the Department is still in negotiations with the union over the ability of union supervisors to handle performance evaluations for their staff. With union representation of 93% of department staff, this presents a significant workload challenge for the remaining merit comp staff.

**11. Strengthen controls over timekeeping by verifying the agreement of timekeeping data within the Time Reporting System (TRS) and the Central Time and Attendance System (CTAS).**

**Accepted or Implemented – continued**

**Finding:** The Department failed to ensure agreement between the timekeeping data maintained in its Time Reporting System and the Central Time and Attendance System. The TRS time report is utilized by the employee's supervisor to complete the TRS weekly time sheet. The data within TRS and the Central Time and Attendance System (CTAS), which is utilized as the Department's official timekeeping and benefit tracking mechanism, should agree.

During testing, auditors noted TRS data for five of 60 employees did not agree with the timekeeping information entered for them in CTAS. As a result, records differed by a total of 42.75 hours. The Department attributed the inaccuracies noted to human error.

**Response:** Accepted. The Department has begun exploration of inclusion in the new electronic web-based timekeeping system being created and piloted by Central Management Systems (CMS). In the interim, the Department will provide additional training and regular reminders through fiscal and timekeeping meetings to help identify issues and correct errors.

**Updated Response:** Similar to the response provided for 11-9, implementation of the DCMS web based timekeeping system will resolve the finding.

**12. Develop specific procedures to ensure the accurate and timely filing of Travel Headquarter Reports in compliance with the State Finance Act. (Repeated–2003)**

**Finding:** The Department did not file its Travel Headquarter Reports (TA-2 Report) with the Legislative Audit Commission in a timely manner. Further, the TA-2 Reports submitted were inaccurate and incomplete.

The Department submitted all four TA-2 Reports 74 to 254 days late. In addition, the location where three individuals spent the majority of their working time was left blank, and no location was listed for their official headquarters. Furthermore, on all TA-2 Reports for fiscal years 2010 and 2011, the location where the majority of working time was spent for a fourth individual was missing, but the official headquarters was documented.

Auditors also noted travel vouchers for 11 of 50 (22%) employees tested listed headquarters on the vouchers different than that listed on the TA-2 Report. Further investigation noted the voucher headquarters and corresponding reimbursements were proper, but the TA-2 Reports were incorrect.

Department management attributed the late submissions and the errors on the TA-2 Report to staffing challenges and workload demands.

**Updated Response:** Accepted. The Department will submit its current TA-2 Report to the Audit Commission by the prescribed January 15, 2013 deadline.

**13. Implement procedures to ensure that all employees assigned a State-owned vehicle certify annually, within the timeline established by the Illinois Vehicle Code, that they are duly licensed and carry the minimum required insurance. (Repeated-2007)**

**Finding:** The Department did not timely obtain annual certifications of license and automobile liability insurance coverage for employees who were assigned State vehicles during the examination period as required by the Illinois Vehicle Code (Code).

The Department's fleet consisted of 85 and 82 vehicles for fiscal year 2010 and 2011, respectively. Of those, 58 were personally assigned to employees in fiscal year 2010 and 54 in fiscal year 2011. Auditors tested 25 employees personally assigned a vehicle during one or both fiscal years of the examination period to ensure the appropriate annual certification of license and automobile liability coverage (annual certification form) was obtained by the Department during each fiscal year and noted the following:

- The Department could not provide one of the 48 annual certification forms requested.
- For 24 of 48 annual certification forms reviewed, the certification was not provided by the employee by July 31<sup>st</sup> or 30 days after the individual was assigned a vehicle, whichever is later. The filing of the forms ranged from 5 to 208 days late.

Department management attributed exceptions noted in the current examination period to staffing challenges and workload demands present in fiscal year 2011.

**Response:** Accepted. Annually, the Department will ensure that all employees complete, sign and submit vehicle insurance liability cards certifying annually that they are duly licensed and carry the minimum required insurance in compliance with the Illinois Vehicle Code (625 ILCS 5/7-601(c)) with respect to license and insurance coverage. To ensure full compliance, additionally, each new employee upon hire must sign a vehicle insurance certification form as a part of a condition of employment.

**Updated Response:** Implemented. The insurance liability forms for FY2013 were sent in May 2012 to each employee with return submission by June 30, 2012.

**14. Comply with all aspects of the requirements of the Field Sanitation Act or seek statutory change. (Repeated-2003)**

**Finding:** The Department did not assess fines to violators upon inspection of farm operations as required by the Field Sanitation Act.

**Accepted or Implemented – continued**

Auditors noted five of seven (71%) field inspections tested during fiscal year 2010 and 2011 did not include the assessment of fines even though violations were noted on these five field inspections.

Department personnel stated they did not assess penalties for violations during field sanitation inspections during fiscal year 2010 and 2011, as it did not in the prior examination period.

**Response:** Accepted. The Department has determined that the licensee should have an opportunity to correct any violations to this Act. Violations noted are generally minor in nature and inspectors witness corrections while still on-site. The Department will pursue a change to the Act to provide licensees an opportunity to implement corrective action prior to the assessment of fines as currently required.

**16. Timely fill the vacancies on the Home Health and Home Services Advisory Committee as required by the statute and address the absentee members presently holding positions on the Committee. In addition, seek to fill vacancies on the Health Maintenance Advisory Board as required by the HMO Act or seek legislative remedy to eliminate the Board continuation requirement. Finally, appoint a representative to the Local Food, Farms, and Jobs Council as mandated by the Local Food, Farms, and Jobs Act.**

**Finding:** The Department did not comply with committee, board, and council requirements mandated by State law as follows:

- The Home Health, Home Services, and Home Nursing Agency Licensing Act mandates the Director of the Department appoint a Home Health and Home Services Advisory Committee composed of 15 persons to advise and consult with the Director in the administration of the Act. As of June 30, 2011, the Committee was comprised of 14 members. Some members continued to serve on expired terms. Department personnel stated competing work demands and finding worthy candidates to commit time to serve on the Board contributed to the existing vacancy at June 30, 2011.
- The Health Maintenance Organization Act mandates the creation within the Department of a Health Maintenance Advisory Board to consist of 11 members appointed by the Department's Director. During testing of the activity of the Board, auditors determined the Board last met in 1989. The most recent Board member listing maintained by the Department is from 1999 and consists of only four members. Department personnel stated the Board has not met for years and there is no statutory requirement to do so. Consequently, the membership on the Board has not been kept current.

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- The Local Food, Farms, and Jobs Act establishes the composition of the governance of the 35-member board of directors of the Council, which includes one representative from the Department. During the examination period, the Department was represented by a Department employee on the Council shortly after its formation in March 2010. However, an internal job change within the Department led to her no longer being able to carry out Department representation on the Council. For approximately 12 months of the examination period and through the date of testing, the Department lacked representation on the Council as required by the Local Food, Farms, and Jobs Act. Department management stated the original Department representative was transferred elsewhere in the Department and a replacement has not been named.

**Response:** Accepted. The vacancies on the Home Health, Home Services and Home Nursing Advisory Board have been filled as of October 6, 2011 and all members are active.

The HMO Board has not met since 1989 and all memberships have expired and have not been renewed. There have been no agenda items or program issues brought forth that would require the Board to meet. There is a bill progressing in the Illinois General Assembly (HB 3816) this session that will dissolve Boards that have not met in the last 2 years. If this legislation does not pass, the Department will seek legislation specifically to dissolve the HMO Board.

The Department has appointed a staff member to the Local Food, Farms and Jobs Council effective November 23, 2011. The staff member attended the Local Food, Farms, and Jobs Council meeting on December 7, 2011.

**Updated Response:** Accepted. The vacancy cited in the finding for the Home Health and Home Services Advisory Committee was filled as has the staff appointment to the Local Food, Farms and Jobs Council. The HMO Board that hasn't met since 1989 would have been dissolved by HB3816 but that bill did not pass (dissolving boards that have not met in the last 2 years).

### **17. Comply with the various reporting requirements or seek legislative remedy for statutory mandate provisions. (Repeated-1997)**

**Finding:** The Department did not adhere to various reporting requirements established by State law. Auditors noted the following:

- The Nursing Home Care Act requires the Department to report to the General Assembly by April 1 of each year the performance of its State long-term care facility licensure inspections, survey and evaluation duties and its actions in enforcement under this Act, including the number and needs of Department personnel engaged in such activities. The report due April 1, 2010 was filed on August 31, 2010, 152 days late, and the Department did not file the report due April 1, 2011 as of the completion of testing.

**Accepted or Implemented – concluded**

During the examination period, the Department sought legislative remedy to amend the reporting requirement of the Nursing Home Care Act from April 1 to July 1. The legislative change was approved. The effective date of the legislative change was July 14, 2011, when Public Act 97-0135 was enacted.

- The Civil Administrative Code of Illinois established the Prostate and Testicular Cancer Program within the Department and states, "...the Department shall submit an Annual Report to the General Assembly and the Governor." The report is due by July 1 every year. The 2010 Prostate and Testicular Cancer report was submitted six days late and omitted some data. Department personnel further indicated the information for stages of presentation is difficult to obtain once the person is referred to a health care provider and thus the Department will work to seek a legislative remedy to remove this requirement. The 2011 Prostate and Testicular Cancer report was filed timely, but did not report specific data because, Department personnel stated, the Department did not award prostate cancer grants during fiscal year 2011 as a result of not receiving appropriations for that purpose.
- The Civil Administrative Code of Illinois states the Department "shall prepare and submit to the Governor and General Assembly an annual report by January 1 of each year regarding its administration of the Hospital Capital Investment Program." The Department did submit the required reports due on January 1, 2010 or January 1, 2011. Department management stated because monies for the capital program had not yet been released and no grants had been issued, there was no substantial information to include in an annual report.

**Updated Response:** Implemented. The FY2012 Prostate and Testicular Cancer Program's annual report was filed on time and is posted on the IDPH website. The 2011 Hospital Capital Investment Program annual report was published January 26, 2012. The 2012 Hospital Capital Investment Program has been prepared and should be published in January 2013. The LTC report isn't due until July 1, 2013.

**Under Study**

- 15. Notify all applicable parties of the requirements of the Lawn Care Products Application and Notice Act; track notifications to those parties; ensure mechanisms are developed to notify new day care center owners as needed; and communicate violations to the Illinois Department of Agriculture as received.**

**Finding:** The Department failed to adequately notify schools and daycare centers of the provisions of the Lawn Care Products Application and Notice Act (Act) (415 ILCS 65/6).

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The Department of Public Health must recommend that daycare centers and schools use a pesticide-free turf care program to maintain their turf. The Department of Public Health must also report violations of this Act of which it becomes aware to the Department (of Agriculture) for enforcement.”

The Department did not notify 98 of 850 (12%) school boards, nor 1,201 of 2,907 (43%) licensed daycare centers as required. During the examination period, the Department sent one e-mail notification to 1,706 daycare owners and 752 school boards concerning the provisions of the Act. Approximately 850 public school districts and 2,907 licensed daycare centers were operating at that time.

The Department personnel stated the employee who handled the notifications is no longer with the Department, making it difficult to recreate the details of the notification. Department management further stated this mandate is unfunded.

**Updated Response:** Under Study. The majority of Illinois schools and day care centers have been previously notified regarding provisions of the Act. Currently the department has no available resources with which to continue the notification program and is reviewing the possibility of resolving this issue through collaboration with the Department of Agriculture.

### **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 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 3 business 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 days before the public hearing.

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A chief procurement officer making such emergency purchases is required to file an affidavit with the Procurement Policy Board and the Auditor General. The affidavit is to set forth the circumstance requiring the emergency purchase. 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.

During FY10, the Department filed five affidavits for emergency purchases totaling \$2,405,515.71 as follows:

- \$1,840,000.00 for healthcare information to the public on H1N1 virus;
- \$354,546.25 for equipment for virus testing; and
- \$209,999.46 to continue health insurance for critically ill.

During FY11, the Department filed five affidavits for emergency purchases totaling \$546,290.52 as follows:

- \$397,790.52 to continue distribution of life-saving pharmaceuticals between contracts; and
- \$148,500.00 for Sickle Cell test kits.

### **Headquarters Designations**

The State Finance Act requires all State agencies to make semiannual headquarters reports to the Legislative Audit Commission. Each State Agency is required to file reports of all its officers and employees for whom official headquarters have been designated at any location other than that at which official duties require them to spend the largest part of their working time.

The Department filed a report on October 24, 2011 which indicated there were 515 employees assigned to locations other than official headquarters. Finding No. 12 relates to the TA-2 reports filed by the Department.