LEGISLATIVE AUDIT COMMISSION

Review of
Department on Aging
Two Years Ended June 30, 2022

620 Stratton Office Building
Springfield, Illinois 62706
217/782-7097

REVIEW #4558:
DEPARTMENT ON AGING
TWO YEARS ENDED JUNE 30, 2022

FINDINGS/RECOMMENDATIONS – 27
PARTIALLY IMPLEMENTED – 14
IMPLEMENTED – 9
NDER STUDY - 4
ACCEPTED– All except #11, #13.

REPEATED RECOMMENDATIONS – 18

PRIOR AUDIT FINDINGS/RECOMMENDATIONS – 21

This review summarizes the auditors' report on the Department on Aging (Aging or DoA) for the two years ended June 30, 2022, filed with the Legislative Audit Commission on May 23, 2023. The auditors conducted a compliance examination in accordance with state law and Government Auditing Standards.

Agency Narrative
The creation of the Illinois Department on Aging as a Cabinet-level agency in 1973 underscored the emphasis that the state's leaders, policy-makers, and stakeholders, including residents, placed on a coordinated approach to the development of programs designed specifically to serve the state's older adult population.

Aging's mission is to serve and advocate for older Illinoisans and their caregivers by administering quality and culturally appropriate programs that promote partnerships and encourage independence, dignity, and quality of life.

Aging responds to the dynamic needs of the older adult population through a variety of services that include planning, implementing, and monitoring home and community-based services and supports provided by the Aging network; coordinating and assisting the efforts of local community agencies; advocating for the needs of the state's older adults; and collaborating with federal, state, local, and other agencies in developing evidenced-based programs and initiatives.

Services Provided
35 distinct Care Coordination Units provide services in 59 contracted service areas, in addition to the numerous direct service providers each covering a defined geographic area of the state or specific waiver service(s).

Elder Rights services include the Adult Protective Services Program, which responded to almost 20,000 reports of abuse, neglect, abandonment, and exploitation (ANE) involving individuals over age 60 and persons with disabilities between the ages of 18 and 59; and operate parallel to the state's Long-Term Care Ombudsman Program (LTCOP), which protects the rights of residents in long-term care (LTC) facilities. LTCOP was expanded in 2013 to include persons in home and community-based settings.

Aging, with its affiliated 13 Area Agencies on Aging (AAAs), provides resources and services to more than 564,000 older adults. Aging also funds services for caregivers and supports grandparents raising grandchildren, as well as volunteer and intergenerational programs that help to connect communities. These efforts have been expanded with the development of the Caregiver Support Services grant, which provides additional resources for the National Family Caregiver Support Program. These services include information and assistance, counseling, support groups, training and education, respite, and supplemental services including gap-filling and legal services.

Aging additionally administers the Community Care Program (CCP), supported in part by Medicaid, under the HCBS Person who are Elderly Waiver, to delay and prevent unnecessary nursing facility placement. Through local Care Coordination Units, Aging administers care coordination services to ensure that older adults are fully assessed and, in collaboration with the older adult, develop a person-centered plan of care that ensures linkage to services in their community regardless of the funding source. In FY22, more than 85,000 unduplicated older adults received CCP services which include care coordination, in-home service, Adult Day Service, emergency home response service, and/or automated medication dispenser service to support their ability to remain independent in their home and/or community-based settings. Pursuant to Public Act 96-1501, Aging is collaborating with HFS and Human Services to transfer eligible older adults and persons with disabilities to risk-based managed care programs through the Integrated Care Program (ICP) and the Medicare/Medicaid Alignment Initiative (MMAI).

Aging administers the Senior HelpLine and 24-hour ANE assistance. This includes administering the Senior and Disabled Rides Free ride cards, assistance with applying for LIHEAP, and the license plate discount benefit for eligible low-income persons.

Lastly, the Senior Health Insurance Program (SHIP) was transferred from the Department of Insurance to the Department on Aging by Executive Order 13-01 on April 1, 2013 and provides outreach and one-on-one counseling to Medicare beneficiaries to help them navigate complex health and LTC issues. This transfer promotes a natural extension of Aging's information and assistance services and benefits counseling, and furthers efforts for service recipients to access a comprehensive array of services to improve their quality of life.

As a result of the COVID-19 pandemic and ongoing extensions of the federal Public Health Emergency (PHE), Aging continues to operate with the majority of its 150 staff members working a hybrid format in which days are shared between in-office and remote. Aging continues to coordinate with DoIT to ensure that staff who do not have access to technology and/or the Internet acquire access through requests for additional equipment and the provision of hot spots, if necessary.

The COVID-19 pandemic has been especially challenging for our senior population and our Aging network. While the Aging network began to prioritize face-to-face visits with all CCP participants under Phase 5 of the IDPH's Restore Illinois Plan, some remote interactions still occur. During times of high transmission rates, the network is able to pivot in ways that leverage the operational flexibilities allowed under Medicaid Waiver Appendix K (natural disasters/public health threat). Adult Day Services have resumed on-site, seeking their pre-COVID-19 census numbers. Workforce shortages continue to be an ongoing problem for which Aging engages stakeholders routinely to discuss, while infusing the network with federal moneys coming from the American Rescue Plan Act (ARPA) and Federal Medicaid Assistance Percentage (FMAP) increases. Food security continues to be a high priority for Aging. Lastly, Aging closely coordinated with our federal and state partners, including ACL, IEMA, FEMA, local public health departments, and our 13 AAAs to provide additional access to home-delivered and shelf-stable meals.

Aging's in-home agencies have continued to provide services throughout the pandemic - impacting our most vulnerable older adults who receive services under the CCP. Aging continues to provide Emergency Senior Services grants to Care Coordination Units and Adult Protective Services provider agencies to assist with the various needs of our vulnerable population, including assistance with COVID-19 vaccine education and outreach.

Paula A. Basta was appointed Director effective March 18, 2019. As a lifelong advocate for the care and treatment of senior citizens, Paula brings her institutional knowledge of senior services, policy, and social justice to lead the Illinois Department on Aging. Prior to being Director at Aging, her resume includes:

- Chicago Housing Authority - Director of Senior Services and Health Initiatives Director of Senior Services and Health Initiatives;
- Adjunct Professor – Loyola University;
- Regional Director - City of Chicago - Chicago Dept. of Family and Support Services - Senior Services; and
- Executive Director - H.O.M.E. (Housing Opportunities & Maintenance for the Elderly)

DoA offices are located at:

- One Natural Resources Way, Suite 100 in Springfield (on the state fairgrounds in the DNR Building); and
- 555 West Monroe, 15^{th} Floor in Chicago.

Appropriations and Expenditures

Program	FY21 Expend	FY21 Headcount	FY22 Expend	FY22 Headcount
Community Care Program	$986,440,600	55	$1,054,794,700	59
Nutrition Service	66,567,300	2	71,307,800	2
Community Support Service	52,024,300	32	52,210,700	29
Adult Protective Services	21,954,700	13	20,209,400	13
Long-Term Care Ombudsman	6,508,000	5	6,792,300	4
Senior Employment Services	4,026,800	1	4,390,300	1
Senior helpline	3,789,000	38	3,698,200	38
Senior Health Assistance	2,445,900	0	2,762,100	0
Totals	**$1.143.7 billion**	**146**	**$1.216 billion**	**146**

Source: Comptroller's Public Accountability Report.

For comparison, the FY24 DoA budget is $1.619 billion with the majority being GRF at $1.425.7 billion.

<u>2022 Community Care Program:</u>
Mission Statement: To provide a cost-effective and accessible system of home and community-based services that provides alternatives to delay or prevent nursing home placement.

Program Goals and Objectives
- DoA will maintain the Community Care Program (CCP) as an alternative to nursing home placement.
- The CCP will maintain costs at 33% or below of nursing home facility geriatric client costs by the end of the year.
- The CCP aims to maintain existing Adult Day Services for eligible CCP participants and as respite to family caregivers.
- DoA will ensure that potential clients of the CCP can have the opportunity to have face-to-face screening interviews with a certified case manager.

<u>2022 Nutrition Services:</u>
Mission Statement: To provide nutritious meals, nutrition education, and other appropriate nutrition services for older adults in order to maintain health, independence, and quality of life. Meals and nutrition services are to be served in a congregate setting or delivered to the home, if the older adult is homebound.
Program Goals and Objectives:

- The program aims to prevent and delay unnecessary institutionalization of older adults by providing nutrition that is also cost-efficient and effective.
- To operate nutrition projects that provide at least one hot or other appropriate meal per day to participants, five or more days a week. These can be at congregate sites or home-delivered meals.

2022 Community Support Services:
Mission Statement: The mission of Community Support Services is to establish a comprehensive and coordinated system of services that will meet the nutritional and social support needs of older persons to maximize their independence, stability, and well-being and to delay premature and unnecessary nursing home placement.

Program Goals and Objectives:
- To provide a comprehensive array of community-based services that will help frail older adults remain in their communities and in their own homes, including support to family members and other persons providing care to older adults.
- To target services to older adults, informal caregivers, and grandparents raising grandchildren in the greatest economic and social need.
- At a minimum, 37% of the total number of older adults served in Community Support Services will be older adults in greatest economic need.
- At a minimum, 30% of the total number of older adults served in Community Support Services will be minorities.

2022 Adult Protective Services:
Mission Statement: The mission of the Department's Adult Protective Services (APS) program is to protect the rights and quality of life of older adults and persons between the ages of 18 and 59 with a disability, who reside in a domestic setting, by responding to reports of abuse, neglect, and financial exploitation.

Program Goals and Objectives
- APS will respond to reports of alleged mistreatment of older persons and persons aged 18 to 59 with a disability who reside in the community.
- APS provider agencies will respond to abuse reports within the required time frames in 100% of the cases.
- APS provider agencies will complete investigations within 30 days of receipt of all reports of abuse, neglect, and financial exploitation.
- APS will reduce additional abuse in abuse cases. At a minimum, 80% of closed cases will have no/low risk by the end of the fiscal year.

2022 Long-Term Care Ombudsman Program:
Mission Statement: The mission of the Department's Elder Rights initiative is to protect the rights and quality of life of older adults by advocating for those individuals who reside in long-term care (LTC) facilities and those receiving in-home care and managed care services in the community.

Program Goals and Objectives:
The Long-Term Care Ombudsman Program (LTCOP) will address complaints and advocate for the rights of persons in LTC facilities and those receiving managed care and waiver services.

- The LTCOP will work to maintain a visible presence in LTC facilities, and the Home Care Ombudsman Program (HCOP) will work to increase outreach activities. Thus, both programs will work to increase awareness of resident and participant rights.

<u>2022 Senior Employment Services:</u>
Mission Statement: The Senior Community Service Employment Program (SCSEP) is a community service and work-based job training program for older Americans. Authorized by the Older Americans Act, the program provides training for low-income, unemployed older persons.

Program Goals and Objectives:

- The successful re-entry of a willing and able older adult into the workforce.
- To operate employment service projects that provide paid training opportunities along with support for low-income older workers, prioritizing veterans and qualified spouses; persons 65 or older; persons with a disability, limited English proficiency, low literacy, or low employment prospects; rural residents; and persons unable to find employment through WIOA, or are homeless or at risk of homelessness.
- For these workers to find unsubsidized employment within 48 months.

<u>2022 Senior Helpline:</u>
Mission Statement: The Senior HelpLine provides information on programs and services, and links persons 60 years of age and older and their caregivers to local services.

Program Goals and Objectives:

- To respond to inquiries and other stakeholders with accurate and timely information; to advocate for older adults and persons with disabilities; to educate older adults and caregivers regarding available long-term care supportive service options; to counsel on Medicare-related issues/options; to protect the health and safety of older adults; and to prevent premature and unnecessary institutionalization.
- Protect and advocate for the safety of older adults and persons living with disabilities in the community by providing intake in accordance with Adult Protective Services policies and procedures.
- Serve as the Senior Health Insurance Program (SHIP) call center as outlined in the grant agreement with the Administration of Community Living by assisting Medicare beneficiaries and referring them to SHIP certified sites for counseling as needed.
- Implement quality assurance standards as defined by the Alliance for Information and Referral Systems (AIRS), which include establishing rapport, conducting an assessment, providing an informed choice of referrals, and engaging in follow-up and being capable of providing advocacy or crisis intervention if required.

<u>2022 Senior Health Assistance Program:</u>
Mission Statement: Older adults and persons under the age of 60 with disabilities will enjoy healthier lives and have more disposable income.

Program Goals and Objectives:

- The Senior Health Assistance Program will assist older adults to maintain their health by linking them to Medicare Part D drug plans, Social Security's Extra Help, and Medicare savings programs.

Key Performance Indicators

Indicator	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Projected
Community Care Program				
Avg monthly caseload	63,930	63,000	63,450	65,350
Initial assessments	264,950	250,350	227,950	252,100
In-home service hour provided	35.34 million	35.6 million	36.67 million	37.85 million
Adult day service hours	1.1 million	215,825	735,650	947,500
Pre-screens	102,950	90,950	101,250	113,000
Pre-screens that become participants	4,750	4,200	4,000	4,500
% change in adult day service hours	-36%	-80%	241%	28.8%
% seniors who becomes CCP after Choices for Care Assessment	5.75%	4.6%	4%	4%
% seniors receive CCP after an initial assessment	55.6%	58.6%	59.9%	59.9%
Avg monthly savings, federal/state	$2,365	$2,434	$2,364	$2,329
Avg monthly Medicaid nursing home cost	$3,468	$3,646	$3,698	$3,777
Comm Care Prog monthly cost care per person	`$1,104	$1,212	$1,330	$1,448

Nutrition Services				
Home-delivered meals provided	11.52 million	11.6 million	11.14 million	11.65 million
Persons served home-delivered meals	61,080	80,000	NA	NA
Avg cost home-delivered meals	$6.28	$7.38	$8.48	$10.59
Community Support Services				
Seniors getting Older American Act services	466,240	470,000	565,000	635,900
Transport units-trips provided	400,000	240,000	294,250	266,900
% seniors in greatest econ. need served in registered services	36.3%	36.7%	37%	37%
% seniors who are minorities served in registered services	30.5%	33.8%	38%	38%
% local sources that support Comm Support Services	30%	30%	24%	24.8%
Adult Protective Services				
Number of APS reports received	16,750	15,600	19,950	20,950
% reports w/ages 18-59 w/ disability	17%	NA	17.7%	18%
Substantiated APS reports	6,150	NA	8,485	8,900
Avg monthly caseload-statewide	4,690	NA	4,500	4,500
Face-to-face visits w/elder abuse victims	100%	NA	93.5%	100%
Investigations of elder abuse completed within 30 days	81%	NA	83.1	100%
Avg monthly workload per caseworker	28%	NA	26.8%	26,8%

Avg monthly cost per report	$1,200	NA	$1,000	$1,160
Long-Term Care Ombudsman Program				
Total consultations	33,750	29,800	33,300	31,000
Complaints (est)	8,400	6,830	8,250	8,250
Total LTC facilities	1,647	1,657	1,647	1,645
Facility visits	8,150	5,100	13,244	13,250
Complaint % resolved to resident's satisfaction	68%	66%	65%	65%
% of LTC facilities w/ quarterly regular visits	71.3%	20%	91%	98%
Senior Health Assistance				
Extra help applications completed (low-income subsidy)	5,240	4,430	5,550	5,250
Medicare part D enrollments completed	16,730	14,180	14,720	15,160

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 five 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.

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 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.

DoA did not have any emergency purchases in FY22.

Accountants' Findings and Recommendations

Condensed below are the 27 findings and recommendations included in the audit report. Of these, 18 are repeated from the previous audit. The following recommendations are classified on the basis of information provided by DoA, via electronic mail received May 23, 2023.

1. The auditors recommend Aging fully comply with the terms of the executed IA.

FINDING: *(Failure to Comply with Intergovernmental Agreement Responsibilities Regarding the Administration of the Home and Community Based Services Waivers for Persons Who Are Elderly) - New*

Aging did not comply with the responsibilities assigned to it pursuant to an Intergovernmental Agreement (IA) with the (HFS) regarding the administration of the Home and Community Based Services Waiver for Persons who are Elderly (Waiver) under section 1915(c) of the Social Security Act.

Aging and HFS entered into an IA in order to delineate respective roles, responsibilities, resources and financial obligations associated with the administration of services for persons applying to or are currently enrolled in Waiver services provided through Aging's Community Care Program (CCP).

The auditors reviewed the terms of the IA and performed testing over Aging's assigned responsibilities contained within the IA. The results of their testing noted Aging was not in compliance with the following responsibilities assigned:

- Article 2.03b requires Aging to submit to HFS quarterly estimates of claims to be submitted in the next quarter, the current fiscal year, and the next fiscal year.

Auditors requested the estimates Aging was required to submit quarterly and determined none were submitted.

Aging management indicated HFS was going to require Aging to provide the quarterly estimates, but after discussion, both parties decided there was not a good tool to create such estimates.

- Article 2.03d requires Aging to certify that expenditures submitted to HFS have been paid prior to submittal, are not in excess of Aging's actual cost of the services provided, are in accordance with the principles established in Code of Federal Regulations (2 C.F.R § 200) and the State of Illinois' State Plan under Title XIX of the Social Security Act (State Plan), and the amounts used as the State's share of expenses are not federal funds and were not used to match other federal funds.

  The auditors requested evidence of Aging having provided certifications of expenditures to HFS. Aging provided evidence of having provided certifications of the administrative expenditures incurred, but provided no evidence of having certified the expenditures for direct services provided.

  Aging management indicated they believed the cost certifications only related to the administrative expenditures. Further, Aging management stated the Department does not certify direct service expenditures. The system only sends to HFS expenditures after they have been paid by the Office of Comptroller, and uses the eCCPIS billing system to identify the amounts paid to providers, and this is sent to HFS.

- Article 2.03f requires Aging to assure that all participants in the Waiver meet eligibility requirements for the Waiver.

  The auditors requested evidence of Aging providing such assurances and were informed Aging does not determine eligibility for Waiver services so such assurance cannot be provided. Aging enrolls participants in the State's CCP and requires financially eligible participants to apply for Medicaid. CCP participants who are Medicaid eligible are Waiver participants.

  Aging management indicated it does not determine Medicaid eligibility, therefore, it cannot provide assurance that all participants in the Waiver meet eligibility requirements for the Waiver. Aging management further indicated Aging's role is to determine if an individual meets an eligible level of care by performing a determination of need (DON), then Medicaid eligibility is determined by the Department of Human Services via its Integrated Eligibility System (IES).

- Article 2.03w requires, subject to the responsibilities of a Managed Care Organization (MCO) for participants enrolled in an MCO, Aging to be responsible through its contracted Care Coordinators (CCs) and/or Care Coordination Units (CCUs) for the performance of the Determination of Eligibility for MCO participants.

For Medicaid enrolled CCP participants, the CCs and/or CCUs are responsible for completion of the Comprehensive Care Coordination assessment tool and creation and implementation of a Person- Centered Service Plan (Plan). Further, the Plan is required to be updated annually.

Auditors tested a sample of 60 Medicaid enrolled CCP participants who were not MCO participants. Auditors noted:

- Four (7%) participants did not have a determination of eligibility or annual Plan of care completed during FY21 or FY22.
- Eight (13%) participants did not have a determination of eligibility or annual Plan of care completed either during FY21 or FY22.

Aging management indicated staffing shortages impacting the majority of the CCUs and caseload growth during the public health emergency has resulted in delays in conducting annual redeterminations and Plan of care updates.

- Article 2.03j requires Aging to correct deficiencies discovered in the course of HFS' monitoring of the Waiver, including providing technical assistance to Waiver service providers to bring Waiver services into compliance through corrective action, providing ongoing and periodic monitoring of the status of corrective actions to ensure compliance, and submitting corrective action status reports to HFS.

  The auditors requested Aging provide the population of Waiver deficiencies identified by HFS during the examination period. Aging was unable to provide the requested population.

  Aging management indicated they did not maintain a record of deficiencies identified by HFS. Instead, Aging provided several communications to HFS acknowledging the HFS Record Review Report for the Waiver provider, and (if applicable) the plan of correction for HFS review summary findings and Aging's acknowledgement of review and approval of the Plan of Correction.

  Due to these conditions, auditors were unable to conclude Aging's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36). Auditors did not select a sample or perform tests on the records provided.

In addition, Aging and HFS did not comply with the following mutual responsibilities:

- Article 2.01a requires Aging and HFS to develop interagency procedures to facilitate the implementation of the IA and to include the procedures in their respective policy manual or like documents.

  In response to their request for interagency procedures developed to facilitate implementation of the IA, the Department provided a copy of their procedures for Administrative Claiming.

Aging management indicated no other interagency procedures to facilitate implementation of the IA were documented.

- Article 2.01b requires Aging and HFS to meet quarterly to discuss the operation and improvement of the Waiver.

  Auditors noted Aging and HFS did not meet during the first and second quarters for FY21.

  Aging management indicated the meetings were halted for a short period of time due to Waiver staff shortages.

Failure to establish and adhere to robust internal controls over Aging responsibilities noted with the terms of the IA limits HFS' ability to properly perform its functions as the State's Medicaid Agency. Specifically, the State could inaccurately determine eligibility for Waiver recipients, which could result in expenditures to providers who are ineligible. Also, by seeking Medicaid federal participation reimbursements for ineligible expenditures, the State could become noncompliant with federal laws and regulations, resulting in denied claims, sanctions and/or loss of future federal funding, and ultimately inaccurate financial statements or financial information. (Finding Code No. 2022-001)

DEPARTMENT RESPONSE:

Aging partially concurs with the finding, with detailed responses to each deficiency noted below. Aging and HFS have established a regular cadence of quarterly meetings and will continue to ensure representatives and/or their authorized designees attend all meetings. In addition, Aging met with HFS on March 22, 2023, to initiate discussions on revising provisions of the IA to reflect current practices while ensuring robust internal controls.

Aging responds as follows to each individual deficiency noted in the finding:

Article 2.03b. Aging concurs with the finding. During quarterly meetings with HFS, both agencies agreed the creation of a tool to provide estimates would not be useful to evaluating services provided under the Waiver.

Article 2.03d. Aging concurs with the finding. Aging does not certify direct service expenditures but rather uses the eCCPIS billing system to validate expenditures paid to providers. In addition to providing eCCPIS data to HFS to meet this requirement, Aging only submits direct service expenditures after they have been paid by the Office of Comptroller. Aging met with HFS on March 22, 2023, to discuss this method of reporting direct service expenditures.

Article 2.03f. Aging partially concurs with the finding. All participants of the CCP program are "required to apply for and, if financially able, enroll in medical assistance under Article V of the Illinois Public Aid Code as a condition of eligibility" (89 Ill. Admin. Code 240.865). CCP participants who are Medicaid eligible are Waiver participants with DHS determining Medicaid eligibility via its IES.

Article 2.03w. Aging partially concurs with the finding. Pursuant to the Families First Coronavirus Response Act (FFCRA) enacted on March 18, 2020, the State was prohibited from terminating coverage and reducing CCP services for any beneficiary enrolled in Medicaid on or after March 20, 2020, until the end of the month the public health emergency period ends. In addition, under FFCRA the State was required to maintain an individual's CCP services even if the individual was determined to no longer meet the eligibility or other requirements for receiving waiver services. Providing these flexibilities ensured vulnerable individuals would not have services terminated while recognizing workforce limitations and other operational challenges owing to the COVID-19 pandemic.

Aging continues to engage network partners around staffing challenges impacting the ability to comply with this requirement. Aging has increased various rates for network partners and has also supported the CCUs with work force retention funds.

Article 2.03j. Aging concurs with the finding and has implemented a tracking system to ensure compliance with this provision of the IA.

Article 2.01a. Aging partially concurs with the finding. Aging submits proposed policy changes and guidance that impact Waiver participants to the HFS Bureau of Waiver Management for approval. These policies serve to facilitate the implementation of the IA and reflect the spirit of interagency coordination. Similarly, the HFS Bureau of Waiver Management solicits feedback from Aging with respect to proposed policy changes and guidance that impacts services under the Waiver.

Article 2.01b. Aging concurs with the finding. Meetings were halted for a short period of time due to staffing shortages within the HFS Bureau of Waiver Operations. Aging will engage with HFS to ensure the IA provides a mechanism to continue coordination between the two Departments owing to unforeseen events.

UPDATED RESPONSE:
Partially Implemented. Since receiving this finding, Aging has developed and implemented a mechanism to track deficiencies identified by HFS.

As of 7/17/2023, Aging has completed a full internal review of the executed IGA with HFS for the purposes of recommending changes that will drive full compliance with the agreement. During a joint call on 7/14/2023 HFS agreed, pursuant to the terms of the IGA, to hold ad-hoc meetings for the purposes of collaboratively reviewing the IGA and Aging's suggested revisions.

Within the IGA changes that will be proposed to HFS by Aging, language has been included to allow for more frequent meetings of the parties while also addressing unforeseen circumstances (e.g. COVID-19) that might require the parties to reschedule a meeting.

2. The auditors recommend Aging allocate sufficient resources and strengthen internal controls over the recording and reporting of State property by

reviewing their inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. In addition, they recommend Aging ensure all equipment and intangible assets are accurately and timely recorded on Aging's property and financial records.

<u>FINDING:</u> *(Inadequate Controls Over State Property) – First reported 2016, last 2020*

As of June 30, 2022,Aging's inventory listing includes equipment with a total cost of $539,904. Aging's Agency Report of State Property (C-15) reported equipment of $223,069 and no other property as of June 30, 2022.

During testing, auditors noted the following during the examination period with regards to Aging's property and equipment records:

- Aging did not develop a tracking mechanism to compile the costs of an internally developed intangible asset in progress. Specifically, auditors noted Aging had originally allocated $1.6 million to develop an application to replace other outdated applications still in use by Aging. Payments made to the contractor working on the project totaled $457,484 in FY21 and $499,253 in FY22 in addition to costs totaling $845,385 which were incurred in FY19 and FY20, for a cumulative cost incurred of $1,802,122. Further Aging was unable to provide us with estimated payroll costs for the IT personnel assigned to the project for FY21 and FY22. Therefore, the accumulated costs incurred are actually higher than the $1,802,122. The Department did not report this internally developed intangible asset in progress on its C-15 reports. In February 2023, Aging provided a summary of costs totaling $2,268,364, however certain costs previously identified as part of the project appear to be missing and payroll estimates were significantly different than previously provided estimates.

- Aging does not have a formal policy clearly delineating the categories of equipment considered subject to theft. Aging follows the practice of using its own discretion to consider whether items can be easily stolen to identify as highly susceptible to theft.

For 18 of 30 (60%) equipment items selected for observation, totaling $80,993, auditors were unable to locate the items, and therefore the items could not be observed. In addition, 194 equipment items, totaling $92,142, were excluded from their sampling population because the location of the items was a separate building in Springfield which had been condemned for mold and therefore the items could not be viewed. These items had not been removed from Aging's inventory listing as of June 30, 2022.

- Aging filed inaccurate C-15s during the examination period. The exceptions noted were as follows:
  - The intangible asset in progress (discussed earlier) was not reported on any of the 8 C-15s.
  - Two items of equipment, totaling $2,625, acquired in previous periods (which were reconciling items in the previous examination) were not

reported on any of the 8 current examination's C-15s. As a result, Aging's C-15 records remain understated as of June 30, 2022 by the respective amount.
    - On the March 31, 2021 C-15, Aging deleted $32,848 of capital lease assets. The correct amount to have been deleted was $35,279.
    - Aging was unable to provide a detail listing of $7,159 of equipment sent to surplus which it reported on its September 30, 2021 C-15.
    - On the December 31, 2021 C-15, $56,688 of equipment was deleted in error and had to be subsequently added back on the June 30, 2022 C-15.

- For 5 of 30 (17%) equipment items tested, totaling $8,708, the items were not reported to CMS on its FY22 annual certification of inventory. The unreported equipment included three projectors, a bar code printer, and a shredder.

- The FY22 Certification of Inventory submitted by Agency reported 34 items of EDP equipment, totaling $125,905, (such as servers, computers, hard drives, and laptops) which could not be located by Aging. Aging assumed these items were sent to surplus by DoIT employees assigned to Aging; however, Aging could not locate any documentation supporting this assumption. In addition, for the 34 items of EDP equipment, Aging was unable to provide us evidence that the electronic storage devices had been cleared of data or specify the types of data which may have been stored on the items, resulting in Aging's inability to determine if the data fit the requirements for notification under the Personal Information Protection Act.

- Aging's June 30, 2022 equipment inventory listing was inaccurate and incomplete. The exceptions auditors noted were as follows:
    - Equipment items totaling $64,561 were not included on the June 30, 2022 inventory listing, as Aging had not yet converted some items from the old inventory system to the new inventory system. Auditors identified this exception because there was a note at the bottom of the inventory listings provided by Aging. Aging did not provide additional information regarding what equipment items made up the $64,561.
    - Two items of equipment, totaling $2,625, acquired in previous periods (which were reconciling items in the previous examination) still had not been added to Aging's equipment inventory listing.

    - Items reported as transferred to surplus ($7,159 on the December 31, 2021 C-15 and $85,334 on the June 30, 2022 C-15) were not removed from Aging's equipment inventory listing as of June 30, 2022.

- As of the end of fieldwork, Aging had not provided us evidence of a FY21 Certification of Inventory having been filed with CMS.

- One cell phone purchased by Aging during FY22 was not included on the inventory records at June 30, 2022. Further, auditors noted three cell phones, which had service terminated when updated with newer phones, remained in the possession of employees and were not included on the June 30, 2022 inventory records. Finally, auditors noted Aging reused cellular phone tag numbers for new phones that replaced old phones during the examination period. The re-use of tag numbers and failing to collect and recycle the outdated phones increases the risk of misappropriation of State assets.

This finding was first reported in Aging's *State Compliance Examination* for the two years ended June 30, 2016. In subsequent years, Aging has been unsuccessful in implementing an adequate corrective action plan.

Aging management indicated the noted issues were due to a lack of staffing resources, the COVID-19 pandemic, implementation of the new ERP system, and competing priority assignments for available staff in the Fiscal Office.

Failure to exercise adequate internal control over property and maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. Inaccurate and untimely property reporting reduces the reliability of Statewide property information. (Finding Code No. 2022-002, 2020-003, 2018-011, 2016-010)

DEPARTMENT RESPONSE:
Aging concurs with this finding and is currently working with Human Resources to hire staff that as a component of their job duties will work with the new inventory system that is much more user friendly and manageable. In the interim, Aging has scheduled the annual inventory, is reviewing purchases on a monthly basis for additions to inventory, and modifying procedures to strengthen internal controls.

UPDATED RESPONSE:
Partially Implemented. Aging hired a staff person recently and is implementing the Auditor's recommendation to review the inventory and recordkeeping practices as well as Comptroller and CMS rules concerning inventory.

3. **The auditors recommend Aging strengthen its controls over accounts receivable by performing thorough reviews and reconciliations of the data it uses to generate the C- 97, C-98, and C-99 Forms. Further, they recommend Aging have the staff already allocated to review and monitor past due accounts also refer them to the IOC's Offset System, the Bureau, or to the Office of Attorney General as required by State laws, or hire additional staff to perform the required referrals.**

FINDING: *(Failure to Maintain Accounts Receivable Records) – First reported 2018, last 2020*

Aging failed to maintain detailed documentation of the accounts receivable reported on its Quarterly Summary of Accounts Receivable – Accounts Receivable Activity (Form C-97), Quarterly Summary Accounts Receivable – Aging of Total Gross Receivables (Form C-98) and Quarterly Summary of Accounts Receivable – External Collections Activity for Accounts Over 180 Days Past Due (Form C-99) reports submitted to the Office of Comptroller (IOC).

Auditors tested all eight of the quarterly accounts receivable related reports Aging filed with the IOC during the examination period and noted the following:

The receivables balance on each of the first two reports totaled $3,621,000 for the General Revenue Fund, which had been pulled forward from previous years. An additional $301,000 in receivables was then added for the quarter ended March 31, 2021, bringing the total to $3,922,000. The receivables balance remained as $3,922,000 as of June 30, 2022.

Aging management stated the $301,000 addition in FY21 was an estimated amount related to overpayments Aging made to providers. Aging management stated it updated a change in reimbursement rates to providers in its electronic billing system and mistakenly paid providers the increased rate for services performed prior to the effective date of the rate increase. The actual overpayment calculated by Aging was $265,714.

During their review of the reports, auditors noted Aging reported no collections on any of these receivables and the estimated uncollectible amounts did not change during the examination period. Auditors further noted Aging was unable to provide any detailed records to support the receivable information reported on the quarterly reports other than the $265,714 noted for the addition above.

Aging management indicated it initially reported an estimated amount for the quarter ended March 31, 2021, and failed to subsequently update the amount. Aging management also indicated most of the older receivables relate to provider overpayments and have not been adequately tracked due to insufficient staffing and other competing priorities in the Fiscal Office.

The auditors also inquired whether any of Aging's accounts receivable were sent to the IOC's Debt Recovery Offset System, referred to the Debt Collection Bureau of the Illinois Department of Revenue (Bureau), or referred to the Office of the Attorney General for certification of the debts' collectability. Aging management responded they do not use the IOC's Debt Recovery Offset System and have not referred accounts receivable to the Bureau. Aging provided evidence of requesting certification of collectability from the Office of the Attorney General to write off $392,523 of old receivables related to the Circuit Breaker Program which closed in 2012.

Aging management indicated insufficient staffing in the Fiscal Office and other competing priorities is why the receivables have not been referred for offset, to the Bureau, or the Office of the Attorney General.

This finding was first reported in Aging's *State Compliance Examination* for the two years ended June 30, 2018. In subsequent years, Aging has been unsuccessful in implementing an adequate corrective action plan.

Failure to maintain accurate accounts receivable records and accurately report accounts receivable balances could lead to the failure of properly collecting amounts owed to the State, inaccuracies in statewide financial statement reporting, increases the risk that errors and irregularities could occur and not be detected by Aging on a timely basis, and represents noncompliance with the Act and the SAMS Manual. Additionally, failure to utilize available mediums of debt collection hinders oversight authorities' ability to collect debts on behalf of State agencies, may result in a loss of State revenues, and represents noncompliance with State laws and regulations. Finally, failure to write-off uncollectible debts may result in unnecessary funds expended for monitoring and collection of such debts, and possible overstatement of State receivables. (Finding Code No. 2022-003, 2020-002, 2018- 012)

DEPARTMENT RESPONSE:
Aging concurs with this finding and is currently working with Human Resources to hire several staff, that as a component of their job duties, will begin a process within the new accounting system for current and potentially collectible receivables.

UPDATED RESPONSE:
Partially Implemented. Aging has submitted accounts receivables to the Office of the Attorney General for write off. Aging continues to work with Human Resources to hire additional staff that will perform these duties.

4. **The auditors recommend Aging design and maintain internal controls to provide assurance its data entry of key attributes into the ERP System is complete and accurate. Further, they recommend Aging approve proper bills within 30 days of receipt and approve vouchers for payment of interest due to vendors.**

FINDING: *(Voucher Processing Internal Controls Not Operating Effectively) – First reported 2018, last 2020*

Aging's internal controls over its voucher processing function were not operating effectively during the examination period.

Due to their ability to rely upon the processing integrity of the Enterprise Resource Planning (ERP) System operated by DoIT, auditors were able to limit their voucher testing at Aging to determine whether certain key attributes were properly entered by the Aging's staff into the ERP System. In order to determine the operating effectiveness of the internal controls related to voucher processing and subsequent payment of interest, they selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's ERP System based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

The auditors testing noted 3 of 140 (2%) attributes were not properly entered into the ERP System. Therefore, Aging's internal controls over voucher processing **were not operating effectively.**

Due to this condition, auditors modified their opinion because they determined Aging had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Even given the limitations noted above, auditors conducted an analysis of Aging's expenditures data for FY21 and FY22 to determine compliance with the State Prompt Payment Act (Act) (30 ILCS 540) and the Code (74 Ill. Admin. Code 900.70). The auditors noted the following noncompliance:

Aging owed 44 vendors interest totaling $17,128 in FY21 and FY22; however, Aging had not approved these vouchers for payment to the vendors.

Aging did not timely approve 4,171 of 85,986 (5%) vouchers processed during the examination period, totaling $79,579,871. Auditors noted these late vouchers were approved between 1 and 364 days late.

Aging did not timely correct 2 of 85,986 vouchers processed during the examination period totaling $9,117. Auditors noted these FY21 vouchers were corrected in the State's ERP System 202 days after the end of the FY21 Lapse Period.

This finding was first reported in the *State Compliance Examination* for the two years ended June 30, 2018. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

<u>Aging management indicated the COVID-19 pandemic's mandated remote work policies created a lack of timely processing and approval of invoices throughout operations. As a result, submission of invoices to the Fiscal Office for processing of the related payments were not within the prescribed timeframes. Aging management further indicated inputting errors into the State's ERP System were due to clerical errors</u>.

Failure to properly enter the key attributes into the State's ERP System when processing a voucher for payment hinders the reliability and usefulness of data extracted from the ERP System, which can result in improper interest calculations and expenditures. Further, failure to timely process proper bills and approve vouchers for payment of interest due represents noncompliance with the Code and the Act. (Finding Code No. 2022-004, 2020-012, 2018-006)

<u>DEPARTMENT RESPONSE:</u>
Aging concurs with this finding. Aging implemented the new statewide accounting system July 1, 2020, and is in the process of updating procedures, to ensure timely payments. The examination period began July 1, 2020 and ran through June 30, 2022, immediately following the implementation of the new accounting system.

UPDATED RESPONSE:
Implemented. Aging recently hired additional staff in the voucher processing area. This will allow Aging to strengthen its existing internal controls and will provide the assurance of key attributes being entered accurately. In addition, Aging created procedure manuals and is conducting weekly training of the staff performing these duties. Executive management has communicated to the entire agency that all bills must be date stamped, when received by any part of Aging, promptly processed, and sent to the voucher processing unit.

5. The auditors recommend Aging strengthen controls to ensure that initial and ongoing reviews of eligibility and annual reporting for the enhanced reimbursement rate are conducted and documented in a timely manner, and in accordance with the Code. They also recommend Aging obtain reimbursement from providers if determined to be ineligible.

FINDING: *(Inadequate Controls and Monitoring Over Enhanced Rate Payments Made to Community Care Program Service Providers) – First reported 2010, last 2020*

Aging lacked adequate internal controls and monitoring over eligibility determinations and payments made to service provider agencies (providers) that applied for and received a special hourly rate under the Community Care Program.

For FY21 and FY22, the enhanced rate was $1.77 per hour. For the two fiscal years under examination, Aging paid all providers a total of $80,500,486 for the enhanced rate payments.

During fieldwork, auditors tested 5 of 14 (36%) providers who were paid an enhanced rate and noted the following:

- Three of 5 (60%) providers tested did not, within 6 months after the end of the reporting period, submit a verification from an independent certified public accounting firm of the actual, documented expense for health insurance during FY21.
- Five of 5 (100%) providers tested did not, within 6 months after the end of the reporting period, submit a verification from an independent certified public accounting firm of the actual, documented expense for health insurance during FY22.
- One of 5 (20%) providers tested did not submit a Direct Service Worker Health Insurance Certification (DSWHIC) during FY21.
- Three of 5 (60%) providers tested did not submit a Direct Service Worker Health Insurance Certification (DSWHIC) during FY22.

<u>Aging management indicated, as it did in the prior examination, the issues noted were due to providers not submitting the required documentation in a timely manner and insufficient resources for Aging to follow up with providers.</u>

Failure to ensure accuracy and completeness of eligibility determinations and verification of expenses can lead to provider overpayments. Failure to timely obtain, maintain, and review DSWHIC forms increases the risk that incorrect or excessive enhanced payments will not be prevented or detected. (Finding Code No. 2022-005, 2020-001, 2018-004, 2016-001, 2014-001, 12-01, 10-01)

DEPARTMENT RESPONSE:
Aging concurs with this finding and is currently working with its Human Resource area to hire staff that will strengthen controls, develop proper procedures and trainings for current and new staff to create a cohesive area so that initial and ongoing reviews of eligibility and annual reporting for the enhanced reimbursement rate are conducted and documented in a timely manner, and in accordance with the Code.

UPDATED RESPONSE:
Under Study. Aging is currently reviewing administrative rules, potential process changes, including but not to limited to a more proactive form of communication with providers concerning the enhanced rate and any recoupments that may be necessary.

6. The auditors recommend Aging designate sufficient staff to monitor service provider activities by identifying, following-up on, and enforcing submission of delinquent audit reports in order to determine whether the funds were utilized in accordance with the purpose of the program.

FINDING: *(Inadequate Monitoring of Homemaker Service Providers) – First reported 2016, last 2020*

Aging did not adequately monitor its homemaker service providers.

The auditors tested 25 in-home care aide (homemaker services) providers, which received payments totaling $1,200,492,792 during the examination period. The auditors testing of in- home care aide (homemaker services) providers for compliance with reporting requirements noted:

- Six (24%) of the 25 providers tested had not submitted an audit to the Department during FY22.
- Two (8%) of the 25 providers tested had not submitted an audit to the Department during FY21.
- During FY22, 11 (44%) of the 25 providers tested had not submitted evidence of assurance the provider's procedures were in compliance with Aging's financial reporting guidelines requiring an administrative and employee wage and benefits cost split as required in Aging's administrative rules.
- During FY21, 4 (16%) of the 25 providers tested had not submitted evidence of assurance the provider's procedures were in compliance with Aging's financial reporting guidelines requiring an administrative and employee wage and benefits cost split as required in the Department's administrative rules.

<u>Aging management indicated the monitoring of service providers and obtaining all the required audit reports and assurances remains a challenge due to staff vacancies and other competing priorities in the Fiscal Office.</u>

Failure to properly monitor service providers through timely receipt and review of their audit reports decreases Aging's accountability over these expenditures and increases the risk of noncompliance with the provisions of the contracts with service providers. (Finding Code No. 2022-006, 2020-004, 2018-010, 2016-008)

<u>DEPARTMENT RESPONSE:</u>
Aging concurs with this finding and its Human Resource Manager is currently working to hire a manager. The manager will collaborate with the State Grant Accountability and Transparency Unit team and will develop proper procedures and trainings for staff to ensure standardized monitoring of audit requirements to comply with the financial components of agreements and contracts.

<u>UPDATED RESPONSE:</u>
Under Study. Aging has hired staff in the Division responsible for monitoring homemaker service providers. In addition, Aging is currently reviewing administrative rules, potential process changes, and communication to providers clarifying the elements of substantial compliance. Aging is closely monitoring federal waiver changes that may also affect this process and requirement for our providers.

7. The auditors recommend Aging strengthen its controls to ensure complete and accurate user populations, along with supporting documentation, is retained. In addition, they recommend Aging conduct and document periodic reviews of users of its systems to ensure access is appropriate.

<u>FINDING:</u> *(Inadequate Controls of Access to Applications and Data) - New*

The auditors requested Aging to provide the populations of users to the Facility Case Review, Adult Protective Services Billing, and Critical Event Reporting systems to determine if the users' access was appropriate. In response to their request Aging provided the populations; however, Aging did not provide documentation demonstrating the user population for Facility Case Review system was complete and accurate.

Due to these conditions, auditors were unable to conclude Aging's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36)

Even given the population limitation noted above, auditors performed testing of users' access rights, noting:

- Two of 2 (100%) Facility Case Review system users' access were not appropriate.
- Four of 9 (44%) Adult Protective Services Billing system users' access were not appropriate.

- Two of 8 (25%) Critical Event Reporting system users' access were not appropriate.

Further, auditors noted Aging could not provide the following:

- Evidence of security software accounts had been reviewed.
- Evidence of periodic user access reviews for the following applications managed by DoIT:
    - Central Time and Attendance
    - E-Time
    - Central Payroll System
    - ERP

Aging management indicated DoIT was responsible for Aging's security controls, and Aging did not have sufficient resources to carry out these responsibilities. Aging management also indicated security and user access reviews of DoIT applications were performed, but employee turnover of personnel with access was minimal and documentation of the reviews was not retained.

Without Aging providing complete and adequate documentation to enable testing, auditors were impeded in completing their procedures and providing useful and relevant feedback to the General Assembly regarding Aging's internal controls over user access. Further, inadequate internal controls over users' access could result in inappropriate access to Aging's applications and data. (Finding Code No. 2022-007)

<u>DEPARTMENT RESPONSE:</u>

Aging partially concurs with the finding. Prior to the transformation to DoIT in April 2022, Aging utilized DoIT's methodology. Aging will strengthen internal controls to ensure complete and accurate user populations, along with supporting documentation, and retain documentation of periodic reviews.

Concerning the deficiencies cited for Central Time Attendance, Central Payroll, and eTime systems, Aging runs annual reports and reviews security. Although the review is not currently documented, only a limited number of assigned users, have access to these systems. User access is immediately terminated when staffing changes occur. Aging will begin documenting security reviews.

<u>UPDATED RESPONSE:</u>

Partially Implemented. The CIO has begun formulating a series of corrective action plans to remedy the deficiencies noted in the finding and implement recommendations. Specifically, corrective action will address and remedy deficiencies noted in user access rights. Previous IT staffing deficiencies are being reviewed and addressed with additional IT staff members being hired. Concerning the recommendation pertaining to conducting and documenting periodic reviews of users and their access rights, as additional staff are hired within the Division of Finance and Administration, Aging will conduct and document periodic reviews of the users of its systems to ensure access is appropriate.

8. **The auditors recommend Aging thoroughly examine its federal awards to identify and document those awards eligible for indirect cost reimbursements. They further recommend Aging claim all indirect cost reimbursements for which it is eligible.**

FINDING: *(Indirect Cost Reimbursements Not Claimed for All Federal Grants) – First and last reported 2020*

Aging did not pursue all indirect cost reimbursements or provide sufficient evidence they were precluded from claiming indirect costs for all federal grant programs.

During the examination period, Aging had indirect cost rate agreements in effect which were approved by the Department of Health and Human Services. The agreements specify indirect cost rates to be applied to direct salaries and wages (excluding all fringe benefits) based on the cost center assigned. As reported on the Schedules of Expenditures of Federal Awards, Aging expended $80 million and $90 million in federal awards during FY22 and FY21, respectively, of which $76 million and $86 million, respectively, were passed through to subrecipients. Direct salaries and wages paid from federal awards totaled $1.6 million and $1.6 million in FY22 and FY21, respectively. Auditors performed an analysis of the Schedules of Expenditures of Federal Awards and identified three awards which may have been eligible for indirect costs based on the criteria of the indirect cost rate agreements. Direct salaries charged to those three awards were $836,032 and $823,501 in FY22 and FY21, respectively. This could potentially result in indirect cost reimbursements of $609,254 and $604,514 for FY22 and FY21, respectively.

Aging claimed indirect costs as part of the State matching portion for its Aging Cluster programs. No indirect costs were charged to and reimbursed from other federal funds. Aging did not provide any regulations or evidence to support indirect costs were not allowed for the programs noted in the previous paragraph.

Aging management indicated indirect costs were not obtained due to employee oversight. Aging management also indicated, as it did in the prior examination, it did not pursue additional indirect cost recoveries because its federal awards were primarily passed through to subrecipients.

Failure to claim all indirect costs that Aging is eligible to receive results in a loss of revenue to the State to cover costs incurred in administering federal programs. (Finding Code No. 2022-008, 2020-017)

DEPARTMENT RESPONSE:
Aging concurs with this finding. Aging does not draw in Federal funds by distinguishing draws between Direct or Indirect Charges. The draws for payrolls within the Aging Older Americans grant cluster are for both Direct and Indirect employees, mainly for fiscal functions which are indirect costs that are allowable in Federal grants. Aging also

understands the need for more distinctive record keeping to track and record Direct and Indirect charges.

Aging will ensure processes and procedures are in place and communicated with staff to ensure when grants are applied for outside the cluster eligible indirect cost reimbursements are identified and claimed.

UPDATED RESPONSE:
Under Study. Aging will be consulting with other state agencies to gather information on how their process works for not only determining if grants are eligible for indirect charges, but also how they track and reconcile those charges. Once information is gathered a team will create a process and document procedures to ensure the agency is properly addressing indirect charges. Training for grant managers and fiscal staff will also be developed to strengthen the path forward.

9. We recommend Aging assign sufficient staff to timely reconcile its records to the IOC's records, ensure the reconciliations receive appropriate supervisory review each month, and properly adjust its accounting records when necessary.

FINDING: *(Inadequate Controls Over Monthly Reconciliations) – First and last reported 2020*

Aging had inadequate internal controls over the performance and review of reconciliations.

During fieldwork, auditors tested 45 monthly reconciliations which included reconciliations of the Office of Comptroller's (IOC) reports to Aging's records of expenditures, unexpended appropriations, cash receipts, cash balances, transfers, contracts, and obligations.

The auditors testing results noted Aging did not provide evidence of a monthly reconciliation having been performed for 36 of the 45 (80%) reconciliations selected for testing. Of the 9 reconciliations performed, 4 (44%) were not performed timely and 1 (11%) had no evidence of supervisory review. The late reconciliations were performed from 102 to 158 days subsequent to the end of the month, which was 42 to 98 days late.

Further, auditors noted the following regarding Aging's receipt reconciliations:
- The FY20 Fund 0618 reconciliation included deposits in-transit of $162,609 as of June 30, 2020. We noted $21,529 of that amount did not carry forward as a beginning of the year deposit in-transit on Aging's FY21 reconciliation.
- The FY20 Fund 0396 reconciliation included deposits in-transit of $87,286 as of June 30, 2020. We noted $1,092 of that amount did not carry forward as a beginning of the year deposit in-transit on Aging's FY21 reconciliation.

- The FY21 Fund 0618 reconciliation included deposits in-transit of $2,242,426 as of June 30, 2021. We noted $96,200 of that amount did not carry forward as a beginning of the year deposit in-transit on Aging's FY22 reconciliation.
- Aging's reconciliation of its receipts to the IOC's SB04 reports for Fund 0644 as of June 30, 2021, Fund 0644 as of June 30, 2022, and Fund 0001 as of June 30, 2022 were inaccurately prepared with reconciling items placed in incorrect columns, some current year refund receipt items being improperly categorized as a receipt and not an expenditure adjustment on the reconciliation, and other items not properly identified.

<u>Aging management indicated the noted issues were due to implementing a new accounting system, the complexities of posting corrections in the new system, and insufficient levels of staffing and training.</u>

Failure to timely and properly reconcile Aging's records with the IOC's records increases the risk of inaccurate financial reporting and undetected loss or theft. Lack of appropriate supervisory review increases the likelihood of misappropriation of State assets going undetected. (Finding Code No. 2022-009, 2020-010)

<u>DEPARTMENT RESPONSE:</u>
Aging concurs with this finding and is currently in the process of posting positions. During the examination period, Aging contracted with a third-party contractor to complete reconciliations on a timely basis to help remedy the deficiency. Aging will continue to use the contractor until staff can be hired. Aging is updating procedures to include a manager review each month.

<u>UPDATED RESPONSE:</u>
Implemented. Aging has hired an accounting consulting firm to complete the monthly required reconciliations and recently hired additional staff that will be reviewing the monthly reconciliations completed by the accounting firm.

10. The auditors recommend Aging implement internal controls to ensure compliance with reporting requirements contained in various Acts or seek legislative remedy.

<u>FINDING:</u> *(Failure to Timely Submit and Post Reports) – First reported 2006, last 2020*

<u>Annual Report</u>
As of June 30, 2022, Aging had not yet submitted an annual report for either FY20 or FY21 to the Governor of Aging's acts and doings. Aging did file annual reports with the Illinois State Library Electronic Documents of Illinois (EDI) Depository on December 27, 2021 and June 24, 2022 for FY20 and FY21, respectively.

Community Care Program Annual Report
As of June 30, 2022, Aging had not submitted a CCP Annual Report for either FY20 or FY21 to the Governor or the General Assembly. Aging did submit the FY20 CCP Annual Report to the Illinois State Library EDI Depository on September 29, 2021, (almost a year after the report was due to the General Assembly). As of July 26, 2022, the FY20 CCP Annual Report had not been posted to the Department's internet site.

Home Delivered Meals
As of June 30, 2022, Aging had not submitted the Home Delivered Meal Reports to the General Assembly. Aging submitted the reports that were due to the General Assembly by January 1, 2021 and January 1, 2022 on December 1, 2022, 700 and 335 days late, respectively. Aging filed these reports with the Illinois State Library EDI Depository on March 12, 2021 and May 12, 2022. Copies of these reports were not available on the Department's internet site as of July 26, 2022.

Adult Protective Services Report
As of June 30, 2022, Aging had not submitted an Adult Protective Services Report for either FY20 or FY21 to the Governor or General Assembly.

Older Adult Services Report
As of June 30, 2022, Aging had posted an Older Adult Service Act Report for FY17 and FY18 in August 2020. Auditors noted no more current reports were noted to have been filed and Aging provided no evidence of reports having been submitted to the General Assembly.

State Long-Term Care Council Report
As of June 30, 2022, auditors noted the most current report of the Illinois Long-Term Care Council on Aging's website was from 2011. Aging provided no evidence of newer reports having been prepared or submitted to the Governor or General Assembly.

Respite Services Report
As of June 30, 2022, Aging had not submitted the Respite Services Reports to the Governor or General Assembly. Aging submitted the Respite Services Reports for FY20-22 to the General Assembly on December 5, 2022, December 1, 2022 and December 1, 2022, respectively. In addition, the FY22 Respite Services Report did not include an estimate of the demand for respite care services over the next 10 years. Rather, the same estimate used in the FY21 Respite Services Report was reused in the FY22 Respite Services Report.

This finding was first reported in the *State Compliance Examination* for the two years ended June 30, 2006. In subsequent years, Aging has been unsuccessful in implementing an adequate corrective action plan.

Department management indicated several factors contributed to the reporting issues noted, including staff vacancies, turnover, COVID-19, older and unclear statutes, as well as a misunderstanding that the filing with the Illinois State Library EDI Depository does not satisfy the requirements of filing with the Governor and General Assembly.

Failure to timely submit and post reports results in noncompliance with the Illinois Compiled Statutes and reduces available information to those parties interested in Aging operations and for making budget and policy decisions. (Finding Code No. 2022-010, 2020-006, 2018-007, 2016-002, 2014-003, 12-05, 10-09, 08-09, 06-11)

DEPARTMENT RESPONSE:
Aging concurs with the findings.

The Department will implement internal controls to ensure reports are filed in accordance with the respective statutory requirements. Reports inadvertently filed with the Illinois State Library have been submitted to the Governor's Office and/or General Assembly.

As many of the Department's statutorily mandated reports include data collected on a federal fiscal year versus state fiscal year, this prevents the Department from filing within the statutory time frame. In addition, the Department requires time to analyze and produce a report with meaningful findings. The Department will continue to seek a legislative amendment that recognizes the availability of both state and federal data while striving to expedite the collecting, analyzing, and compilation of written reports responsive to the statutory language.

Respite Services Report: The ten (10) year projected similarities in the 2021 and 2022 reports are due to delays in the publication of U.S. Census Data that is utilized to make projections.

Adult Protective Services Report: Aging is preparing the final report for the period July 1, 2021 through June 30, 2022 for submission to the Governor and General Assembly.

State Long-Term Care Council Report: Aging is preparing a report for submission in June, 2023 and will implement internal controls to ensure a report will be submitted and posted to the website every subsequent June thereafter.

UPDATED RESPONSE:
Implemented. Aging ensured that all reports filed with the Illinois State Library Electronic Documents of Illinois (EDI) were appropriately filed with the General Assembly and Governor's Office.

As the timing of data collection was a barrier to filing reports within the statutory timeframes, Aging sought and successfully obtained a statutory amendment to move the due date of the Annual Report, Community Care Program Annual Report, and Respite reports to March 31st (Medicaid Omnibus SB 1298, p. 246). This date will ensure Aging has adequate time to receive, analyze, prepare, and submit statutorily required reports.

In addition, Aging has implemented a cross-divisional internal mechanism to trigger reminders to respective Division Managers and staff that will ensure timely submission of reports to the General Assembly.

Finally, Aging has submitted the FY22 Adult Protective Services Report, and is preparing the remaining past due reports for submission.

11. The auditors recommend Aging either comply with notification requirements of the Act itself, or it should implement internal controls to adequately monitor the APS providers to ensure the notification requirements of the Act are met.

FINDING: *(Noncompliance with the Adult Protective Service Act) - New*

Aging did not comply with notification requirements of the Adult Protective Services Act (Act).

The auditors tested 10 of 79 (13%) caregivers who had a claim of abuse, abandonment, neglect, or financial exploitation of an eligible adult had been filed against them and noted for 10 of 10 (100%) caregivers tested, Aging could not provide evidence of Aging having notified the eligible adult, or an eligible adult's guardian or agent, cared for by the caregiver, of the occurrence. After the exception was provided to Aging, Aging provided case notes from the APS provider indicating the "Know Your Rights" brochure was provided to the eligible adult for 7 of the 10 (70%). For the remaining 3 of the 10 (30%), the case notes indicated the APS case worker was working in the client's best interest so the "Know Your Rights" brochure was not left. They also requested Aging provide evidence of notification to any other eligible adults serviced by these same caregivers. No additional documentation was provided.

Aging management indicated the APS provider agencies are responsible for notifying eligible adults (or their guardian), and Aging does not monitor the APS provider due to inadequate staffing levels. Aging management also indicated the "Know Your Rights" brochure is not left when an APS provider is working in the client's best interest and the eligible adult is incapacitated and without a guardian, power of attorney, or another agent.

The Act places the notification responsibility on Aging, adopting an administrative rule placing the responsibility on the APS provider does not relieve Aging of its responsibility. Failure to either adequately monitor the APS provider agency or to notify the eligible adult, or the eligible adult's guardian or agent, that their caregiver may be placed on the Adult Protective Service Registry weakens the overall purpose of the Act to protect the eligible adult. (Finding Code No. 2022-011)

DEPARTMENT RESPONSE:

Aging disagrees with the finding. In the second quarter of FY22, the Office of Adult Protective Services updated and combined the two existing brochures ("Know Your Rights" and "Working Together") to a unified and comprehensive brochure entitled

"Working Together". Each individual who possessed capacity was provided with the, "Working Together" brochure which was developed by Aging and carries the State of Illinois seal. Aging contracts with provider agencies to conduct the investigations of abuse, neglect, exploitation, and self-neglect, and in this contractual capacity serves as an affiliate of Aging. Aging supplies the brochures to the provider agency to serve as notification as the contracted agencies complete all APS investigations and have direct contact with the clients served. Aging created the brochure to fulfill the requirement of notifying alleged victims of the potential for their caretaker to be placed upon the registry. Aging reviews each substantiated caretaker case, which includes compliance review ensuring that all necessary elements of the case were conducted per procedure, including the provision of the "Working Together" brochure to clients who possess capacity.

ACCOUNTANT'S COMMENT

The Act requires Aging, as part of its investigation, to notify an eligible adult, or an eligible adult's guardian or agent, that his or her caregiver's name may be placed on the Registry based on a verified and substantiated finding of abuse, abandonment, neglect, or financial exploitation of an eligible adult. Aging has contracted its responsibilities (including investigation and notification) to various APS providers. Aging developed a brochure intended to serve as notification to eligible adults. The brochure details various rights of the eligible adult and does state possible outcomes for the caregiver. For 2 of the 3 instances where the accountants were informed that the APS provider was working in the client's best interests and no brochure was left with the eligible adult, no case notes were provided to support the claim.

In addition, the accountants requested evidence of notification of any other eligible adults serviced by the same caregiver. Aging did not respond to those requests and no documentation was provided.

UPDATED RESPONSE:

Partially Implemented. The Office of Adult Protective Services has created a Quality Assurance division whose sole responsibility is to monitor contracted provider agencies for compliance and quality of services provided to clients. An element of these monitoring activities is compliance with investigational requirements, including the provision of the "Working Together" brochure to clients who possess decisional capacity. Accounting for this provision will be an element of the monitoring tool that will be used to review a representative sample of contracted provider agency cases beginning in January of 2024 on an annual basis. Identified non-compliance with this requirement will result in corrective action by Aging to be carried out by the contracted provider agency with quarterly follow up to ensure sustained compliance.

The Adult Protective Services program investigates reports of abuse, neglect, exploitation, abandonment, and self-neglect by reporters from various professions. The program is not designed to proactively seek out reports, but rather responds to reports that are received by Aging or delegate report takers. Investigating other individuals who may be served by a caregiver under investigation does not fall within the statutory jurisdiction of the Adult Protective Services Program. The Adult Protective Services

Abuser Registry functions to protect other vulnerable adults from substantiated and verified abusers by prohibiting these individuals from being employed as a paid caregiver, effectively limiting access to other potential clients that may be served by this individual. Being placed on this registry also feeds into IDPH Healthcare Worker Registry, further protecting individuals who may receive paid services from these verified individuals. Additionally, The Office of Adult Protective services notifies partner agencies when an employed caretaker within their agency is being investigated for reported abuse, neglect, exploitation, or abandonment as well as provides the agency with the substantiation decision. These actions are taken to prevent the alleged abuser from accessing other clients while the reported abuse is being investigated and, in the case of a substantiated finding, prevent them from accessing clients indefinitely. The Illinois Department on Aging cannot take staff termination action with these partner agencies, however, provides this evidence to ensure that other clients remain safe.

12. The auditors recommend Aging fully document the procedures to be performed for all changes to its information systems, including approvals throughout the process, testing requirements and documentation of testing performed, and post implementation reviews.

FINDING: *(Inadequate Controls over Change Management) – First and last reported 2020*

Aging lacked adequate internal controls over changes to be made to its information systems.

During fieldwork, they reviewed Aging's Change Control Procedures, noting the Procedures did not address:

- Controls over changes other than major/critical.
- Approval processes, other than to move to production.
- Testing requirements and testing documentation requirements.
- Post implementation review requirements.

In September 2018, Aging implemented the Adult Protective Services - Case Management System (CMS) to report, maintain, and track reports of allegations of abuse or self-neglect. CMS system is utilized by multiple entities: State agencies, local service entities, and law enforcement.

During the examination, auditors selected a sample of five changes made to the CMS system, noting the program team's move-to-production authorization was not formally documented for five (100%) changes.

Further, Aging's Change Control Procedure stated the requisition for move to production was to be approved by the program team, via email, prior to deployment to production.

Aging management indicated DoIT was responsible for the controls over changes to their applications and data, as they had no resources of its own. Aging management also indicated the program team generally provides verbal confirmation during a meeting before deploying changes to be placed into production.

The failure to implement sufficient controls over changes to its information systems increases the risk of unauthorized or improper changes being made. The failure to document program team approvals increases the risk CMS system will not have the required accuracy, integrity, availability and security. (Finding Code No. 2022-012, 2020-016)

DEPARTMENT RESPONSE:
The Department partially concurs with the finding. Prior to the transformation to DoIT in April 2022, Aging utilized DoIT's controls over changes to the Adult Protective Services - Case Management System (CMS) and other changes to applications and data. Going forward, Aging will develop formal, comprehensive, and adequate controls to document changes to the applications and data and obtain approval from a subject matter expert on the programming team.

UPDATED RESPONSE:
Partially Implemented. The IT Department is currently using a project management application to document application changes and approvals. The application has features for code review, audit trails, review of changes, and history of changes made to the application. The CIO has begun a series of initiatives to resolve the finding and address recommendations including reviewing and revising existing change management procedures, establishing testing requirements, and standards for documenting application changes in the project management software. Additionally, if necessary, IT developers will receive additional training on the change management procedures.

13. The auditors recommend Aging work with the Department of Human Services to develop a formal plan for enforcing the Home Care Consumer Bill of Rights and make the best practices for the enforcement available on Aging's websites as required by the Act, or seek legislative remedy from the requirements of the Act.

FINDING: *(Failure to Develop a Plan of Enforcement Relating to the Home Care Consumer Bill of Rights) - New*

Aging failed to comply with the requirements of the Rehabilitation of Persons with Disabilities Act (Act) by not working with DHS (collectively referred to as the Departments) in developing a plan to enforce the Home Care Consumer Bill of Rights and posting the best practices of the enforcement on the Departments' websites.

The plan for enforcing the Home Care Consumer Bill of Rights should include a description of how entities with a role in protecting older adults aged 60 or older and persons with disabilities aged 18 through 59 will coordinate activities to enforce the Home Care Consumer Bill of Rights.

During their testing, auditors noted that while a Home Care Consumer Bill of Rights pamphlet has been developed and printed by the Departments, no formal plan addressing the enforcement was able to be provided to us.

Aging management indicated the program felt that the distribution of the Home Care Bill of Rights was sufficient to meet the requirements.

Failure to jointly develop a plan for enforcement of the Home Care Consumer Bill of Rights may lessen the effectiveness of the rights. In addition, failure to make best practices for enforcement available to the public on the Departments' websites impedes transparency and public knowledge, as well as, constitutes noncompliance with the Act. (Finding Code No. 2022-013)

DEPARTMENT RESPONSE:
Aging partially concurs with the finding.

Aging, along with input and feedback from (DHS), developed the Home Care Consumer Bill of Rights pamphlet which includes the covered population, the rights for covered population, the contact information for the Home Care Ombudsman Program, the phone number for the Senior Help Line at Aging, and information on how to report abuse, neglect, and/or exploitation. This pamphlet is currently posted to Aging's website.

UPDATED RESPONSE:
Partially Implemented. Aging does not concur with the finding. The Ombudsman Program does not have enforcement authority as it is an advocacy entity. The Home Care Ombudsman Program is 100% participant driven. The role of Aging is to provide advocacy, educate participants on their rights, and supply each participant with a copy of the Home Care Consumer Bill of Rights. There are different programs at Aging and DHS that are tasked with enforcing and ensuring participants' rights are not violated by the in-home service providers.

Aging has processes in place to alert the other divisions when the Home Care Ombudsman Program is made aware of a violation of the Home Care Bill of Rights. These include the Home Care Ombudsman Program assisting participants in filing complaints, grievances, and service improvement plans (SIP's).

Aging is currently pursuing changes in the statutory language that will clarify Aging's and DHS' roles and responsibilities. In addition to seeking changes in the statutory language, Aging will include information on the website alongside the Home Care Consumer Bill of Rights informing readers of how the Home Care Ombudsman Program can assist when a right is violated.

14. The auditors recommend Aging fully comply with the terms of the executed IA or update the language of the IA if it includes provisions that are not applicable to Aging or its providers.

FINDING: *(Failure to Comply with Intergovernmental Agreement Responsibilities in Connection with the Illinois Medicaid Program Advanced Cloud Technology (IMPACT)) - new*

Aging did not comply with the responsibilities assigned to it pursuant to an Intergovernmental Agreement (IA) with HFS in connection with IMPACT.

IMPACT is a multi-agency effort to replace Illinois' legacy Medicaid Management Information System with a web-based system to give providers a more convenient and consistent user experience, and ensure clients receive timely and high-quality Medicaid services.

The auditors reviewed the terms of the IA and performed testing of Aging's assigned responsibilities contained within the IA. Auditors noted Aging did not comply with article 2.03(j) which requires Aging, if it performs a license, site visit or other screening or enrollment requirement for qualification to perform services under Aging's Community Care Program (CCP), to document that such was performed in the IMPACT system and retain copies of the documentation.

Auditors inquired whether Aging performs screenings, site visits or other monitoring of CCP providers and whether documentation of such is recorded in the IMPACT system. Aging management stated each provider has a site visit prior to becoming a CCP provider, however, it is not documented in the IMPACT system.

Aging management indicated its providers are not required to be licensed, therefore this part of the IA does not apply to Aging's providers and Aging does not need to make an entry in the IMPACT system.

Failure to adhere to responsibilities noted within the terms of the IA limits HFS' ability to properly perform its functions as the State's Medicaid Agency which could result in in the State seeking Medicaid federal participation reimbursements for ineligible expenditures, the State could become noncompliant with federal laws and regulations, resulting in denied claims, sanctions and/or loss of future federal funding, and ultimately inaccurate financial statements or financial information. (Finding Code No. 2022-014)

DEPARTMENT RESPONSE:
Aging partially concurs with the finding. Aging enters data in the IMPACT system confirming a provider has met the enrollment requirements that include an on-site visit. However, Aging does not have access to the fields in the IMPACT system to "explicitly describe each screening and requirement together with the date of completion" and has not received training from HFS to meet this responsibility under the IA. Aging will work

with HFS to clarify the data that should be documented in the IMPACT system, ensure necessary training of Aging staff and if necessary, modify the terms of the IA.

UPDATED RESPONSE:
Under Study. Aging is in the process of working with our sister agency to better understand Aging's role requirements within the IMPACT system, which will help ensure compliance. Aging met with HFS on July 14, 2023, for the regular Quarterly meeting. Aging placed the IMPACT IGA on the agenda and requested additional ad hoc meetings for purposes of reviewing and revising the IMPACT IGA. Additionally, Aging is working with HFS to ensure that multiple Aging staff have access and training in the system.

15. The auditors recommend Aging work with DoIT to obtain a detailed understanding of each party's responsibilities related to cybersecurity controls. Further, they recommend Aging:

- **Develop a formal, comprehensive, adequate and communicated security program (policies, procedures, and processes) to manage and monitor the regulatory, legal, environmental and operational requirements.**
- **Require employees and contractors to acknowledge receipt of security policies and procedures.**
- **Develop a project management framework to ensure new applications are adequately developed and implemented in accordance with management's expectations.**
- **Define cybersecurity roles and responsibilities.**
- **Develop policies documenting guidelines for reporting security violations and suspected violations.**
- **Establish a cybersecurity plan documenting Aging's security program, policies and procedures.**
- **Conduct a comprehensive risk assessment or implement risk reducing internal controls.**

In addition, auditors recommend Aging obtain, review, and maintain documentation regarding the security events and vulnerability scans impacting Aging. Further, they recommend Aging obtain, review, and maintain documentation regarding the security solutions utilized to monitor the security and resilience over their applications and data.

FINDING: *(Weaknesses in Cybersecurity Programs and Practices) – First and last reported 2020*

Aging had not implemented adequate internal controls related to cybersecurity programs and practices.

Aging maintains computer systems that contain large volumes of confidential and personal information such as names, addresses and Social Security numbers of the citizens of the State.

During their examination of Aging's cybersecurity program, practices, and control of confidential information, auditors noted the Department:

- Had not developed a formal, comprehensive, adequate and communicated security program (policies, procedures, and processes) to manage and monitor the regulatory, legal, environmental and operational requirements.
- Did not require employees and contractors to acknowledge receipt of security policies and procedures.
- Had not developed a project management framework to ensure new applications were adequately developed and implemented in accordance with management's expectations.
- Had not defined cybersecurity roles and responsibilities.
- Did not have policies documenting guidelines for reporting security violations and suspected violations.
- Had not established a cybersecurity plan documenting the Department's security program, policies and procedures.
- Had not conducted a comprehensive risk assessment or implemented risk reducing internal controls.

In addition, Aging was unable to provide documentation regarding the security events that had occurred and the vulnerability scans completed during the examination period. Further, Aging could not provide documentation regarding the security solutions utilized to monitor the security and resilience over their applications and data. Therefore, auditors were unable to conduct testing. Due to these conditions, they were able to conclude Aging's records were not sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36).

<u>Agency management indicated the Department of Innovation and Technology (DoIT) was responsible for cybersecurity controls, and the Department did not have sufficient resources to carry out these responsibilities.</u>

Failure to implement internal controls related to cybersecurity programs, practices and control of confidential information could result in unidentified risk and vulnerabilities and ultimately lead to Aging's volumes of personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2022- 015, 2020-009)

<u>DEPARTMENT RESPONSE:</u>

The Department partially concurs with the finding. Prior to the transformation to DoIT in April 2022, Aging utilized DoIT's cybersecurity programs and practices policies. Aging currently requires employees and contractors to acknowledge receipt of security policies and procedures as part of the onboarding process for new hires.

The Department will implement the following to address the finding:

- Develop a formal, comprehensive, adequate, and communicated security program (policies, procedures, and processes) to manage and monitor the regulatory, legal, environmental, and operational requirements.
- Develop a project management framework to ensure new applications are adequately developed and implemented in accordance with management's expectations.
- Define cybersecurity roles and responsibilities.
- Develop policies documenting guidelines for reporting security violations and suspected violations.
- Conduct a comprehensive risk assessment and implement risk reducing internal controls.

UPDATED RESPONSE:
Partially Implemented. In response to the recommendations, the IT Department assigned to Aging has adopted a comprehensive cybersecurity program to resolve deficiencies noted. This policy will be posted on Aging's intranet site, which will be accessible to all agency employees.

The IT Department, in partnership with DoIT, recently completed a risk assessment for the agency and is in the process of implementing corrective action for the weaknesses identified.

Further, the CIO has begun a series of corrective action initiatives that will implement audit recommendations and remediate other deficiencies noted in the finding. This process involves the CIO partnering with DoIT to ensure we are adhering to industry standards.

16. The auditors recommend Aging develop and document an estimation methodology based on historical or other data in order to timely and properly report its liabilities to the IOC on a monthly basis on the SCO-961 forms as required. They further recommend Aging maintain supporting documentation for amounts reported.

FINDING: *(Inaccurate Debt Transparency Reporting) – First and last reported 2020*

Aging failed to file accurate and timely Debt Transparency Reports with the Office of Comptroller (IOC) and did not retain documentation supporting the data reported.

During fieldwork, auditors selected for testing 4 (17%) of the 24 reports required to be filed by Aging during the examination period. The auditors testing results noted the following:

- Two reports (50%) were not submitted timely. The reports were submitted 12 and 37 days (2 and 27 days late) after the end of the previous month.
- Aging did not retain detailed records supporting the amounts reported for the 4 (100%) debt transparency reports tested.

- Aging had not developed an estimation methodology with documented procedures for estimated liabilities. Aging paid numerous service providers on a reimbursement basis; however, none of the reports tested showed an estimate of these incurred liabilities not yet invoiced by the service provider.

Further, they noted the following on Aging's June 30 debt reports:

Over/(Under) Estimates on Year End Debt Transparency Reports			
Liability	Reported Estimate	Subsequently Paid	Misstatement
6/30/22			
Lapse Period	$0	$83,981,657	($83,981,657)
Interest	0	1,408	(1,408)
Total	$0	$83,983,065	($83,983,065)
6/30/21			
Lapse Period	$0	$93,744,848	($93,744,848)
Interest	0	0	0
Total	$0	$93,744,848	($93,744,848)

Aging management indicated the staff do not have the knowledge to create an estimation process given their current resources. Agency management further indicated the records are generated from a canned software and reviewed for reasonableness; however, copies are not retained. Also, Aging management indicated the reports were not timely filed due to competing priorities.

Failure to develop, document, and properly report Aging's liabilities reduces the State's transparency and limits the IOC's ability to report accurate amounts of unpaid bills. (Finding Code No. 2022-016, 2020-021)

DEPARTMENT RESPONSE:
Aging concurs with this finding and has developed a report within the statewide accounting system to assist with documenting projecting liabilities. Aging has also put in place a methodology to estimate liabilities that will occur in the next month.

UPDATED RESPONSE:
Implemented. Aging has developed a methodology for estimating bills to timely report its liabilities to the IOC on a monthly basis. Aging is maintaining the documentation of the estimate with each monthly report.

17. The auditors recommend Aging maintain a complete and accurate inventory of all information technology equipment, and documentation that electronic devices have been appropriately wiped as required by the Data Security on State Computers Act.

F

<u>INDING:</u> *(Electronic Devices Weakness) – New*

Aging failed to maintain adequate internal controls over electronic devices.

During the examination, auditors requested Aging provide a population of electronic storage devices (computers, servers, laptops, etc.) sent to surplus in order to determine if the device had been properly “wiped” prior to disposal. In response to their request, Aging provided a population of 103 devices. The auditors compared the population to other records obtained from Aging during the examination and concluded the population was not complete and accurate.

Due to these conditions, auditors were unable to conclude whether Aging’s population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT- C § 205.36). Even given the population limitations noted above, they conducted testing of the population. The auditors testing noted Aging did not maintain documentation demonstrating the 103 devices had been wiped prior to being sent to surplus.

<u>Aging management indicated the devices had been wiped; however, documentation was not retained due to employee turnover.</u>

Failure to ensure adequate internal controls over the wiping of electronic devices could result in the theft or unauthorized access to Aging’s data. (Finding Code No. 2022-017)

<u>DEPARTMENT RESPONSE:</u>
Aging concurs with the finding. During the examination period, the IT staff, and electronic equipment were transitioned to DoIT, and turnover occurred in the IT staff assigned to the Department. Much of the equipment cited in the finding was obsolete equipment Aging could not locate transfer records for. Following the transitioning of IT staff to DoIT and filling vacant positions in the IT staff assigned to Aging, procedures have been implemented to require transfer receipts for all equipment removed from the building and verification that all electronic media has been wiped.

<u>UPDATED RESPONSE:</u>
Partially Implemented. The IT Department assigned to Aging is implementing a follow-up process with DoIT to obtain certification that all equipment removed from the building is properly wiped. In addition, Aging is working with DoIT staff located within Aging to ensure that all IT equipment is inventoried.

18. The auditors recommend Aging comply with the CMS Vehicle Usage Program requirements for maintenance of Aging vehicles and ensure vehicle records are complete and properly maintained.

<u>FINDING:</u> *(Inadequate Internal Controls over Vehicle Maintenance) - New*

Aging did not implement adequate internal controls over maintenance schedules adopted for its motor vehicles.

During their testing, auditors noted Aging had a fleet of 7 vehicles leased from the CMS for the years ending June 30, 2021, and June 30, 2022. Auditors selected all seven vehicles for testing of vehicle maintenance documentation and noted all seven (100%) did not receive timely oil changes and four (57%) did not receive timely tire rotations. In addition, Aging vehicle maintenance records for FY22 were incomplete. A records gap from January 2022 through May 2022 for each of the vehicle maintenance logs hindered their ability to determine specific dates on which vehicles were due for maintenance.

<u>Aging management indicated noncompliance resulted from inadvertent oversight due to a vacancy in the position(s) responsible for this work and competing priority assignments for other available staff in the Fiscal Office.</u>

Failure to perform timely maintenance on Aging vehicles could result in more significant expenditures related to the repair and replacement of vehicles in the future. Further, failure to maintain complete vehicle records resulted in their inability to perform testing. (Finding Code No. 2022-018)

<u>DEPARTMENT RESPONSE:</u>
Aging concurs with this finding.

<u>UPDATED RESPONSE:</u>
Implemented. Aging hired a person to assist with monitoring the s compliance with the CMS Vehicle Usage Program requirements for maintenance of vehicles and ensure the records are complete and accurate.

19. The auditors recommend Aging comply with reporting and review provisions of the Act or seek a statutory revision to remove the requirement.

<u>FINDING:</u> *(Failure to Report on Care Coordination Unit Performance) – First and last reported 2020*

Aging failed to report on Care Coordination Unit performance during the engagement period.

During fieldwork, auditors requested and Aging was unable to provide reports of its quarterly review of Care Coordination Unit performance and adherence to service guidelines during the examination period to legislative leaders.

<u>Aging management indicated it did not seek legislative remedy to eliminate the outdated requirement since the last compliance examination due to management oversight.</u>

Failure to prepare and submit performance reports required by the Act reduces monitoring, oversight, and accountability and deprives the General Assembly of information which it may need to make informed decisions. Further, it represents noncompliance with the Act. (Finding Code No. 2022-019, 2020-018)

DEPARTMENT RESPONSE:
Aging concurs with the finding. Aging meets the objective(s) of the statutorily required progress report that was tied to the 2014 Community Care Program reforms. Aging continues to monitor the CCUs with quarterly meetings that have a standardized agenda along with performance reports to generate discussion around compliance; these meetings are documented.

<u>Since 2017, Aging experienced several staff changes but will once again seek a future legislative remedy to eliminate the outdated requirements in Public Act 98-0008.</u>

UPDATED RESPONSE:
Partially Implemented. Aging is seeking statutory revision to remove the requirement. The Home and Community Services Division, which has oversight of the Care Coordination Units, has submitted changes to Aging's Legislative Division via the "Budgeting for results mandate review form" which will be presented to the Governor's Office for purposes of requesting a legislative remedy in the next session.

Pending a statutory amendment, Aging will submit the required quarterly reports.

20. The auditors recommend Aging comply with the Act or seek a legislative remedy to modify the Act as it applies to Aging's responsibility to notify HFS of instances in which case coordination units were unable to complete assessments in a hospital prior to the discharge of a patient, 60 years of age or older, to a nursing home. In addition, they recommend Aging amend its administrative rules and operations policy to ensure all requirements of the Act are fully addressed.

FINDING: *(Noncompliance with the Hospital Licensing Act) - New*

Aging did not comply with the requirements of the Hospital Licensing Act (Act).

In order to facilitate the orderly transition of aged patients from hospitals to post-hospital care, the Act (210 ILCS 85/6.09) requires Aging to notify HFS of instances in which Case Coordination Units are unable to complete assessments in a hospital prior to the discharge of a patient, 60 years of age or older, to a nursing home. The Act also requires Aging to adopt rules to address these instances to ensure that the patient is able to access nursing home care, the nursing home is not penalized for accepting the admission, and the patient's timely discharge from the hospital is not delayed.

During the examination period, auditors noted Aging did not notify HFS of instances in which Case Coordination Units were unable to complete assessments in a hospital prior to the discharge of a patient, 60 years of age or older, to a nursing home. The auditors further noted although Aging adopted administrative rules and an operations policy addressing the screening requirements, they saw no evidence of rules adopted to ensure that the patient is able to access nursing home care, the nursing home is not penalized for accepting the admission, and the patient's timely discharge from the hospital is not delayed.

Aging management indicated the statutory requirement to notify HFS was deemed to be inefficient as written. In March 2022, HFS launched a new electronic system "AssessmentPro" for complying with the Federal CMS Preadmission Admission Screening and Resident Review requirement to manage the assessment process for preadmission screening and resident review.

Failure to comply with the Hospital Licensing Act prevents fulfilment of the Act's purpose. In addition, failure to comply with required communication protocol limits the ability to monitor the transition of aged patients from hospitals to post-hospital care. (Finding Code No. 2022-020)

DEPARTMENT RESPONSE:
Aging concurs with this finding. In March 2022, HFS launched a new electronic system "AssessmentPro" for purposes of complying with the Federal CMS Preadmission Admission Screening and Resident Review requirement. Aging will continue to collaborate with HFS to ensure compliance with this statutory requirement and seek revisions to the administrative rules.

UPDATED RESPONSE:
Partially Implemented. By virtue of HFS' Preadmission Screening and Resident Review (PASRR) re-design and launch in March 2022, HFS can track all pending and completed screens for nursing facility level of care eligibility in the ''Assessment Pro'' portal. HFS has a record of assessments that are completed in the hospital and when they occur. Aging is committed to participation in ongoing calls with HFS staff and Maximus, HFS' contracted entity managing the PASRR re-design including the AssessmentPro portal. Calls are focused on clinical alignment and pre-admission processes that impact this finding. Calls with HFS and Maximus are on a rolling bi-weekly schedule. In addition, Aging continues with ongoing review of administrative rules and policies to identify possible changes that support ongoing compliance.

Finally, Aging will work with both HFS and IDPH to propose statutory amendments to the Hospital Licensing Act.

21. The auditors recommend Aging comply with the Act or seek a statutory revision.

REVIEW # 4558: Dept on Aging Compliance Exam FY21-22

FINDING: *(Failure to Develop a Program to Identify the Special Needs and Problems of Minority Senior Citizens) – First reported 2018, last 2020*

Aging failed to develop a program to identify the special needs and problems of minority senior citizens as required by the Illinois Act on the Aging (Act).

In FY22, Aging entered into an interagency agreement with one of the state universities to study and evaluate Aging's approach to identifying the special needs and problems of minority senior citizens, evaluate the adequacy and accessibility of existing programs for minority senior citizens, and develop a comprehensive outreach plan to address the anticipated changing demographics in Illinois' older adult population, but it was not completed by the end of FY22. Thus, as of June 30, 2022, the results of their testing indicated Aging had not yet developed a prescribed program to identify the special needs and problems specific to minority senior citizens as opposed to all senior citizens. Therefore, auditors also noted Aging had not promulgated any administrative rules to establish the responsibilities related to a separate program targeting minority senior citizens, and had not coordinated services specific to targeted minority senior citizens with the other named departments pursuant to the Act.

Additionally, during fieldwork, they noted that although Aging and other designated agencies jointly filed Serving Minority Seniors annual reports which provided demographic information for Aging's existing programs for all senior citizens, auditors observed those reports contained almost no information on programs and services specific to minorities as provided under this section of the Act.

The auditors further noted the annual reports were compiled and submitted to the Illinois State Library Electronic Documents of Illinois (EDI) Depository by September 30, but 15 months instead of 3 months following completion of the State's fiscal year. Neither annual report was submitted to the Governor or General Assembly during the examination period.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2018. In subsequent years, Aging has been unsuccessful in implementing an adequate corrective action plan.

Aging management indicated it did not develop a specific program to address this mandated responsibility as Aging participates in numerous outreach events to obtain greater understanding of the needs of minority senior citizens through its existing programs. Aging management also indicated it unsuccessfully sought a legislative remedy in a prior year to clarify the reporting requirement because it believes 3 months is not sufficient time to compile the information of the four departments and publish a report. In addition, Aging management indicated it misunderstood that the filing with the Illinois State Library EDI Depository does not satisfy the requirements of filing with the Governor and the General Assembly.

Failure to develop and evaluate programs and information, develop procedures and administrative rules and work with designated health and human service agencies to coordinate services and annually report regarding the special needs and problems of minority senior citizens fails to satisfy the legislation's objective of identifying and addressing challenges unique to minority senior citizens. (Finding Code No. 2022-021, 2020-007, 2018-008)

DEPARTMENT RESPONSE:
Aging concurs with the finding. Aging will create an internal workgroup to determine strategies to identify the needs of minority seniors, including meeting with our providers. The workgroup will also review the recently completed study, done by one of the Area Agencies on Aging, to help identify the needs. Aging will also seek a statutory amendment to the Act that supports the existing programs, services, and strategies that identify the needs of minority seniors.

UPDATED RESPONSE:
Implemented. To address the finding, the Department sought a statutory revision in the recent legislative session and succeeded. SB1298, PA 103-0102 https://www.ilga.gov/legislation/publicacts/103/PDF/103-0102.pdf

The following revisions were made which will resolve the audit finding. (20 ILCS 105/4.06)

Sec. 4.06. Coordinated services for minority senior citizens ~~Minority Senior Citizen Program~~. The Department shall develop strategies ~~a program~~ to identify the special needs and problems of minority senior citizens and evaluate the adequacy and accessibility of existing services ~~programs~~ and information for minority senior citizens. The Department shall develop procedures to enhance and identify availability of services and shall promulgate administrative rules to establish the responsibilities of the Department.

The Department on Aging, the Department of Public Health, the Department of Healthcare and Family Services, and the Department of Human Services shall cooperate in the development and submission of an annual report on ~~programs and~~ services provided under this Section. The joint report shall be filed with the Governor and the General Assembly on or before September 30 of each year.

22. The auditors recommend Aging request an appropriation and work with DHS to adopt administrative rules and establish the Program required by the Act. If Aging deems the services the Program would provide would be duplicative of programs already administered by Aging, they recommend Aging work with the Illinois General Assembly to seek a legislative remedy.

FINDING: *(Failure to Establish a Prevention of Unnecessary Institutionalization Grant and Loan Program) - New*

Aging failed to request an appropriation in order to establish a Prevention of Unnecessary Institutionalization Grant and Loan Program (Program) which is required by the Prevention of Unnecessary Institutionalization Act (Act).

During their testing, auditors inquired about Aging's efforts to establish the Program, in collaboration with DHS. This inquiry included whether or not the Department requested an appropriation for the establishment of the Program in FY21 and FY22, and whether or not Aging and DHS had jointly adopted administrative rules governing the program. Aging responded that it did not request or receive an appropriation specifically for the Program, and it and DHS have not adopted administrative rules related to the Program.

Aging management indicated the existing Community Care Program is targeted to prevent the unnecessary institutionalization of the State's elderly and disabled citizens; therefore, an appropriation was not requested, administrative rules were not adopted, and the Program was not established jointly with DHS.

Failure to request an appropriation and establish the Program, including adopting joint administrative rules, is considered noncompliance with the Act. Further, failure to implement the required Program may deprive eligible participants from obtaining much-needed assistance in the form of dwelling modifications or assistive technology devices if Aging's already established programs do not fulfill all needs of the State's elderly and disabled citizens. (Finding Code No. 2022-022)

DEPARTMENT RESPONSE:
Aging partially concurs with the finding. Aging has neither the authority nor expertise to administer a loan program with taxpayer dollars. Although Aging did not request additional appropriations, Aging is statutorily mandated to create programs that prevent premature institutionalization. (20 ILCS 105/4.02) (from Ch. 23, par. 6104.02) Sec. 4.02. Community Care Program (CCP).

Aging, has developed other grant programs which provide technology, assistance with home modifications, medically and culturally appropriate home delivered meals, assistance with heating and cooling, respite care, transportation to doctor's appointments, vaccination clinics, in-home service, adult day service, senior companions, congregate meals for socialization, these and other assistance is provided through a combination of grants and fee for service delivery systems funded both at a State and Federal level to help prevent a decline in seniors ability to remain safe and healthy at home.

Aging maintains a regular dialog with sister agencies, including HFS and DHS, for the purposes of identifying where programs intersect to ensure individuals receive the most appropriate supports and services. In addition, Aging continues to work to add services and expand supports under the Persons who are Elderly Waiver (CCP). In 2020, Aging collaborated with DHS to successfully launch the Illinois Cares Connections Program which provides eligible individuals served by both Departments with assistive technology to mitigate against social isolation during the COVID-19 pandemic.

UPDATED RESPONSE:
Under Study. No further updates since the original audit response was provided.

23. The auditors recommend Aging work with DoIT to obtain an understanding of each party's responsibilities as it relates to recovering its applications and data. They also recommend Aging develop ISCPs for all of its applications. Further, auditors recommend Aging review the ISCPs and ensure they document detailed recovery instructions, document Recovery Time Objectives, and Business Impact Analysis have been conducted.

In addition, they recommend Aging conduct disaster recovery testing at least annually.

FINDING: *(Weaknesses in Disaster Contingency Planning and Testing) – First and last reported in 2020*

Aging's disaster recovery plans contained weaknesses and disaster recovery testing had not been performed.

In order to determine if Aging would be able to recover its applications and data in the event of a disaster, auditors reviewed the Information System Contingency Plans (ISCP) for Aging's 17 applications. During their review, auditors noted:

- Aging had not developed ISCPs for 2 of their identified applications (12%).
- Aging had not developed detailed recovery instructions within 15 of 15 (100%) ISCPs.
- The Recovery Time Objective was not documented within 3 of 15 (20%) ISCPs.
- A Business Impact Analysis had not been completed for 3 of 15 (20%) ISCPs.

In addition, they noted Aging had not conducted disaster recovery testing during the examination period.

Aging management indicated DoIT was responsible for the recovery of its applications and data, and Aging did not have sufficient resources to carry out these responsibilities.

Without an adequately documented and tested disaster recovery plan, Aging cannot ensure its critical systems could be recovered within an acceptable period, and therefore minimizing the impact associated with a disaster. (Finding Code No. 2022- 023, 2020-015)

DEPARTMENT RESPONSE:
Aging partially concurs with the finding. Prior to the transformation to DoIT in April 2022, Aging utilized DoIT's planning and testing policy. Aging will implement the following to address the findings:

- Develop ISCPs for two of their identified applications.
- Develop detailed recovery instructions.
- Ensure recovery times will be documented.
- Complete a Business Impact Analysis.

UPDATED RESPONSE:
Partially Implemented. The IT Department assigned to Aging will ensure that detailed ISCP's are in effect for all applications. Existing ISCP's will be reviewed and incorporate the audit recommendations. Additionally, Aging is in the process of developing initiatives to ensure that rights and responsibilities for disaster recovery are clearly documented.

24. The auditors recommend Aging request an appropriation and make the grant required by the Act or seek a legislative remedy to the current statutory requirement.

FINDING: *(Failure to Make a Grant to Study Employment Plan) – First reported in 2016, last 2020*

Aging failed to make a grant to an institution of higher learning to study the feasibility of an affirmative action employment plan for persons 60 or more years old.

In November 2021, Aging entered into an agreement with NIU to carry out a study of Aging's employment practices relevant to the statute above; however, NIU was unable to perform the scope of work defined in the intergovernmental agreement. As a result, no payment was issued to NIU (no grant was made by Aging).

This finding was first reported in the *State Compliance Examination* for the two years ended June 30, 2016. In subsequent years, Aging has been unsuccessful in implementing an adequate corrective action plan.

Aging management indicated previous attempts for statutory revision were unsuccessful, so the Department attempted to comply by entering into an interagency agreement with NIU to study the Department's employment practices.

Failure to make a grant to an institution of higher learning to study the feasibility of establishing and implementing an affirmative action employment plan may impede growth and evolvement in training and employing persons over 60 years old. (Finding Code No. 2022-024, 2020-008, 2018-009, 2016-004)

DEPARTMENT RESPONSE:
Aging concurs with the finding and will continue to seek legislative remedy.

UPDATED RESPONSE:
Under Study. Aging did contract with Northern Illinois University to conduct a study of employment practices to determine a pathway to establishing and implementing an affirmative action employment plan. NIU ran into barriers with the study and development of this pathway due to the state government hiring process that is dictated by CMS.

Aging will continue to seek legislative remedy as this cannot be accomplished with the current CMS hiring practices.

25. The auditors recommend Aging comply with the Act and the Code by sharing the required data with the State Board of Elections.

FINDING: *(Failure to Share Data with the State Board of Elections) – First reported 2016, last 2020*

Aging did not share data with the State Board of Elections.

During testing, auditors noted Aging entered into an agreement to share data with the State Board of Elections during March 2021 and updated the agreement in February 2022; however, Aging failed to share the required information with the State Board of Elections prior to June 30, 2022.

This finding was first reported in Aging's *State Compliance Examination* for the two years ended June 30, 2016. In subsequent years, Aging has been unsuccessful in implementing an adequate corrective action plan.

Aging management indicated several factors contributed to the noted issues. <u>The final agreement to share the data was not finalized until February 2022 and Aging's IT staff were unable to transfer the data by June 30, 2022 due to staff vacancies and other IT priorities.</u>

Failure to share data with the State Board of Elections pursuant to an agreement entered into with a multi-state voter registration list maintenance system results in noncompliance with the Act and the Code and limits the data available to ensure accuracy, completeness, and legal compliance of voter records. (Finding Code No. 2022-025, 2020-020, 2018-016, 2016-012)

DEPARTMENT RESPONSE:
Aging concurs with the finding. An IT developer has been assigned to gather the required data so that it can be shared with the State Board of Elections as required by the Act.

UPDATED RESPONSE:
Partially Implemented. The IT Department assigned to Aging has developed a query to pull the appropriate information as required. Aging is in the process of working with the SBE to establish the data transfer interface.

26. The auditors recommend Aging implement procedures to identify outstanding evaluations, remind managers of their responsibilities, and ensure employee performance evaluations are completed timely.

FINDING: *(Failure to Complete Performance Evaluations) – First reported 2012, last 2020*

Aging did not conduct employee performance evaluations in accordance with the Illinois Administrative Code (Code).

During fieldwork, auditors reviewed 40 employee personnel files and noted 7 (18%) employee files did not contain a completed performance evaluation for at least one of the fiscal years under examination. These employees' anniversary dates of employment ranged from 1 to 10 months before the end of the fiscal year.

This finding was first reported in Aging's *State Compliance Examination* for the two years ended June 30, 2012. In subsequent years, Aging has been unsuccessful in implementing an adequate corrective action plan.

Aging management indicated inadequate staffing at the Division Manager and supervisory levels, as well as insufficient support staff to assist with the process led to this deficiency.

Without timely completion of an employee performance evaluation, the employee would not be provided with formal feedback or assessment of his or her performance, and areas for improvement and current year's performance goals and objectives may not be identified and communicated in a timely manner. Failure to conduct timely annual evaluations represents noncompliance with the Code. (Finding Code No. 2022-026, 2020-014, 2018-014, 2016-007, 2014-002, 12-4)

DEPARTMENT RESPONSE:

Aging concurs with this finding. Aging filled several supervisory and Division Manager vacancies.

UPDATED RESPONSE:

Implemented. Human Resources has implemented a system to notify supervisors monthly when performance evaluations are due. Administrative assistant positions in many of these areas have also been filled which will assist in the tracking and timely completion of performance evaluations. In addition to notifying Division Managers and supervisors of evaluations that are due, Aging is informing Division Managers when evaluations are delinquent and sending a monthly notice out to Senior Management. In June, Aging implemented a new procedure to advise Division Managers/supervisors of evaluation due dates when new employees start.

27. The auditors recommend Aging ensure all major systems of internal accounting and administrative controls are reviewed at least once every two years as required by the Act.

FINDING: *(Noncompliance with the Fiscal Control and Internal Auditing Act) – First reported 2014, last 2020*

Aging did not fully comply with internal audit requirements of the Fiscal Control and Internal Auditing Act (Act).

Auditors noted the internal audit function's audits did not include testing of the property, equipment, and inventories internal accounting and administrative controls during the examination period.

This finding was first reported in Aging's *State Compliance Examination* for the two years ended June 30, 2014. In subsequent years, Aging has been unsuccessful in implementing an adequate corrective action plan.

Aging management indicated, as a result of the annual two-year risk assessment completed each year, minimal value of equipment held, and limited Internal Auditing resources, the property control audit was delayed.

Failure to review all major systems of internal accounting and administrative controls results in noncompliance with the Act, weakens Aging's assessment of its overall internal control environment and increases the risk that an effective system of internal controls may not be maintained. (Finding Code No. 2022-027, 2020-013, 2018-013, 2016-011, 2014-007)

DEPARTMENT RESPONSE:
Aging concurs with this finding.

UPDATED RESPONSE:
Partially Implemented. A property control audit has been included on the FY 2024 audit plan. The audit is currently in-process.

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.

As of July 1, 2022, Aging had 0 employees assigned to locations others than official headquarters.