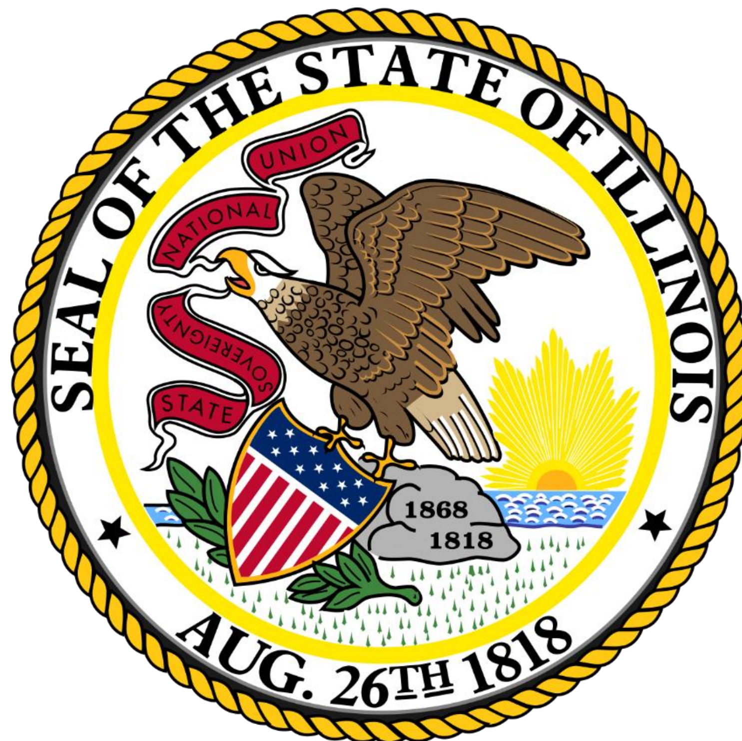
LEGISLATIVE AUDIT COMMISSION



Review of
Department of Corrections
Two Years Ended June 30, 2024

620 Stratton Office Building
Springfield, Illinois 62706
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REVIEW: #4605
DEPARTMENT OF CORRECTIONS
TWO YEARS ENDED JUNE 30, 2024

FINDINGS/RECOMMENDATIONS – 40

IMPLEMENTED/PARTIALLY IMPLEMENTED – 32
UNDER STUDY – 7
NOT ACCEPTED – 1

REPEATED RECOMMENDATIONS – 27

PRIOR AUDIT FINDINGS/RECOMMENDATIONS – 46

This review summarizes the auditors' report on the compliance examination of the Department of Corrections for the two years ended June 30, 2024, filed with the Legislative Audit Commission on September 23, 2025.

The Department of Corrections mission is to serve justice in Illinois and increase public safety by promoting positive change for those in custody, operating successful reentry programs, and reducing victimization. At the end of FY24, DOC had a population of 29,083, down from a high of 48,877 in FY13.

Latoya Hughes is the Director, appointed in April 2023 and confirmed in October 2025. Rob Jeffreys was the Director for the first 3 quarters of FY23.

Appropriations and Expenditures

	FY23		FY24	
Appropriations ($ thousands)	**Approp**	**Expend**	**Approp**	**Expend**
GENERAL FUNDS				
Total Personal Services & Fringe Benefits	1,128,000.1	1,126,250.7	1,217,427.4	1,191,461.2
Total Contractual Services	419,887.1	413,701.9	453,775.3	429,308.9
Total Other Operations and Refunds	129,685.3	123,276.0	149,342.0	134,893.8
Designated Purposes				
Construction Workforce Vocational Training	0.0	0.0	2,000.0	2,000.0
For Deposit into DOC Reimbursement and Education Fund for Expenses Related to IT Infrastructure Upgrades & Device Purchases	45,000.0	45,000.0	0.0	0.0
For Deposit into DOC Reimbursement and Education Fund for Tort Claims	0.0	0.0	17,600.0	17,600.0
Operational Expenses for Personal Services and Related Costs	0.0	0.0	13,430.4	13,430.3
Remote Learning Pilot Program	250.0	240.0	0.0	0.0

Replacement of Aging and Unreliable Telecommunications Systems	6,845.1	52.5	6,792.6	3,377.4
Statewide Hospitalization	8,368.5	7,603.7	26,501.4	26,390.8
Total Designated Purposes	60,463.6	52,896.2	66,324.4	62,798.5
Grants				
Ordinary & Contingent Expenses of the Sentencing Policy Advisory Council	788.5	725.8	852.5	584.1
Sheriffs' Fees for Conveying Prisoners	249.9	234.2	249.9	192.8
State Share of Assistant State's Attorneys' Salaries Reimbursement to Counties	200.2	184.0	200.2	188.9
Tort Claims	3,535.0	3,068.3	11,730.0	11,678.9
Total Grants	4,773.6	4,212.3	13,032.6	12,644.7
Capital Improvements				
Repair, Maintenance, & Other Capital Impr.	4,999.6	4,959.3	7,500.0	5,443.2
Total Capital Improvements	4,999.6	4,959.3	7,500.0	5,443.2
TOTAL GENERAL FUNDS	**1,747,809.3**	**1,725,296.4**	**1,907,401.7**	**1,836,550.3**
OTHER STATE FUNDS				
Approp. To the Sex Offender Management Board for Sex Offender Evaluation, Treatment, & Monitoring Programs & Grants	100.0	9.0	100.0	11.0
Expenses Related to IT Infrastructure Upgrades & Device Purchases	15,000.0	0.0	45,000.0	0.0
Federal Programs	5,000.0	757.2	5,000.0	561.9
Miscellaneous Programs	117,000.0	20,930.2	117,000.0	6,099.8
School District Programs	5,000.0	2,306.8	5,000.0	2,425.2
TOTAL OTHER STATE FUNDS	**142,100.0**	**24,003.2**	**172,100.0**	**9,097.9**
FEDERAL FUNDS				
ARPA - For Deposit into DOC Reimbursement & Education Fund - Expenses Related to COVID-19	50,000.0	25,000.0	0.0	0.0
TOTAL FEDERAL FUNDS	**50,000.0**	**25,000.0**	**0.0**	**0.0**
TOTAL	**1,939,909.3**	**1,774,299.6**	**2,079,501.7**	**1,845,648.2**

Accountants' Findings and Recommendations

Condensed below are the 40 findings and recommendations included in the audit report. Of these, 27 are repeated from the previous audit. The following recommendations are classified on the basis of information provided by the Department of Corrections, via electronic mail received December 2, 2025.

1. The auditors recommend the Department design and maintain internal controls to provide assurance its data entry of key attributes into ERP is complete and accurate. Further, they recommend the Department timely deposit receipts into the State's treasury.

FINDING*:* *(Receipt processing internal controls not operating effectively) - New*

The Department of Correction's (Department) internal controls over its receipt 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 System (ERP) operated by the Department of Innovation and Technology, the auditors were able to limit their receipt testing at the Department to determine whether certain key attributes were properly entered by the Department's staff into the ERP. In order to determine the operating effectiveness of the Department's internal controls related to receipt processing, they selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the ERP System based on supporting documentation. The attributes tested were (1) amount, (2) fund being deposited into, (3) date of receipt, (4) date deposited, and (5) SAMS Source Code.

Their testing noted 10 of 140 (7%) and 56 of 140 (40%) attributes for receipts and refunds, respectively, were not properly entered into the ERP System. Therefore, the Department's internal controls over receipt and refund processing **were not operating effectively.**

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2(a)) requires the Department to maintain a detailed record of all moneys received, which is to include date of receipt, the payor, purpose and amount, and the date and manner of disbursement. Additionally, Statewide Accounting Management System (Procedure 25.10.10) requires the Department to segregate the moneys into funds and document the source of the moneys. Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues, expenditures, and transfers of assets, resources, or funds applicable to the operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Due to this condition, the auditors qualified their opinion because they determined the Department 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, the auditors conducted an analysis of the Department's receipts data for fiscal years 2023 and 2024 to determine compliance with the Act. They noted:

- The Department's receipts data did not document the date on which the payment was received for 6 of 4,960 (0.12%) receipts. As such, they were unable to determine if the Department deposited the receipts timely.

The Act (30 ILCS 230/2(a)) requires the Department to maintain a detailed record of all moneys received, which is to include date of receipt, the payor, purpose and amount, and the date and manner of disbursement.

- The Department did not deposit 2 receipt items, $10,000 or more, within the 15-day extended due date, ranging from 3 to 6 days late.

The Act (30 ILCS 230/2(a)) requires the Department to pay into the State treasury any single item of receipt exceeding $10,000 on the day received. Additionally, receipt items totaling $10,000 or more are to be deposited within 24 hours. The Department was granted an extension by the Office of the Comptroller for a 15-day extension for deposits.

Department management indicated exceptions were due to staff misunderstanding on which dates should be used in ERP, staff oversight, lack of training, and competing priorities.

Failure to properly enter the key attributes into the State's ERP when processing a receipt hinders the reliability and usefulness of data extracted from the ERP, which can result in improper recording of revenues and accounts receivable. Failure to timely deposit receipts delays the recognition of available cash within the State Treasury, could delay the payment of State obligations, and is noncompliance with the Act.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department staff were not entering the correct receipt dates in the ERP system in the 10 receipts and 56 refunds noted in the finding. This has since been corrected. The Department strives to deposit receipts timely.

UPDATED RESPONSE:

Implemented.

- Responsible for Implementation: Assistant Deputy Director of Fiscal Operations
- The Department is entering the correct dates of receipt into the ERP system. In addition, the Department is entering check lots into the ERP system for refunds. The Department strives to deposit receipts timely.

2. **The auditors recommend the Department improve its centralized oversight function related to inventory to allow for adequate controls, compliance with procedures and rules, as well as provision of guidance, reminders, and assistance to the Center's staff. They also recommend the Department ensure**

staff are adequately trained on inventory policies and procedures, to ensure inventory and records are properly maintained.

FINDING: *(Inadequate maintenance of commodity and commissary inventory) – New*

The Department of Corrections (Department) did not properly maintain its commodity and commissary inventory.

During their commodity and commissary inventory testing at five correctional centers, the auditors noted the following:

- Stateville Correctional Center staff did not enter into the accounting system the general commodity inventory items received or issued during Fiscal Year 2023 and 2024. As a result, the center failed to provide a complete and accurate population of items held in inventory on June 30, 2023, and 2024. Due to these conditions, the center's population records for inventory of its commodity warehouse were not sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36). The last reported general commodity inventory balance for Stateville Correctional Center was $1,078,286 as of June 30, 2022.

- Twelve of 60 (20%) inventory items selected from inventory records did not agree with physical test counts, resulting in a net variance of $15,407. This condition was noted at Danville, Lincoln, and Sheridan Correctional Centers.

- Ten of 60 (17%) inventory items observed for physical test counts while touring inventory locations did not agree with the inventory records, resulting in a net variance of $4,027. This condition was noted at Danville, Dixon, and Lincoln Correctional Centers.

- They tested 13 items with inventory balances exceeding $5,000 which appeared to be overstocked as of June 30, 2024, and noted Stateville and Danville Correctional Centers held more than one year's supply of inventory for 5 (38%) items amounting to excess amount of $165,679.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets are safeguarded against loss and misappropriation and assets are properly recorded and accounted for to maintain accountability over the State's resources.

The State Records Act (5 ILCS 160/8) requires each agency head to preserve records containing adequate and proper documentation of the procedures and essential transactions of the agency.

The Department's Administrative Directive (A.D.) (02.82.101) requires a standardized inventory control system in order to account for all commodity items received, to maintain records that reflect commodity usage and consumption at each facility, and to ensure accurate accounting records are maintained. A.D. (02.82.114) requires the reconciliation of the inventory records to the accounting records to verify the accuracy and value on hand of commodity items.

The Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36) state that when using information produced by the entity, practitioners should evaluate whether the information is sufficiently reliable for the practitioner's purposes, including, as necessary, obtaining evidence about the accuracy and completeness of the information and evaluating whether the information is sufficiently precise and detailed for the practitioner's purposes.

The Illinois Procurement Code (30 ILCS 500/50-55) requires every State agency to stock no more than a 12-month supply of inventory. A.D. (02.82.120) requires the Center to review inventory records at least once a year to determine if any items in stock are surplus to current needs.

Department management indicated these issues were caused by employee error and turnover.

Failure to ensure proper maintenance of inventory and records could lead to theft, loss of assets, and inaccurate reporting of inventory balances.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Correctional Centers are required to count commodity and commissary inventory at the end of each month. Inventory records are reconciled to physical counts at that time. During the audit, the auditors counted samples of inventory during the month in most cases, which caused the discrepancies since the inventory was actively being received and/or sold to individuals in custody or employees in the case of the commissaries and received and/or issued in the case of the commodity warehouses. Staff have been trained on the use of the ERP system in the Stateville and Danville locations.

ACCOUNTANT'S COMMENT:

Inventory exceptions were communicated to the Centers and Department at the time of testing, but they were unable to provide support to resolve these discrepancies.

UPDATED RESPONSE:

Partially Implemented at 90% with full implement anticipated by June 30, 2026.

- Responsible for Implementation: Facility Business Administrators
- The Correctional Centers are required to count commodity and commissary inventory at the end of each month. Inventory records are reconciled to physical

counts at that time. Staff have been trained on the use of the ERP system in the Stateville and Danville locations.

3. **The auditors recommend the Department review and update its policies and procedures as needed to ensure a consistent and accurate transfer of commissary profits occurs and maintain sufficient supporting documentation for measures taken. They further recommend the Department continue to work to decrease the liability with the Commissary Funds. Also, if the Department determines that the current statutory language is not sufficient to accommodate operations of the Commissary Funds, it should seek legislative changes.**

FINDING: *(Noncompliance with the required transfers of profit from the DOC Commissary Funds) -*

The Department of Corrections (Department) did not transfer 40% of profits from DOC Commissary Funds to allow expenditure of all designated profits for the special benefit of individuals in custody and employees from the Inmate and Employee Benefit Fund.

Amounts due to the Inmate and Employee Benefit Funds from the DOC Commissary Funds totaled $4.1 million, $5.5 million, and $5.8 million as of June 30, 2024, 2023, and 2022, respectively. The Department did not comply with the requirements to expend 40% of Inmate and Employee Commissary profits for the special benefit of committed persons and employees and the advancement or reimbursement of employee travel, respectively.

The Unified Code of Corrections (730 ILCS 5/3-4-3(c)) states "Forty percent of the profits on sales from commissary stores shall be expended by the Department for the special benefit of committed persons which shall include but not be limited to the advancement of inmate payrolls, for the special benefit of employees, and for the advancement or reimbursement of employee travel, provided that amounts expended for employees shall not exceed the amounts of profits derived from sales made to employees by such commissaries, as determined by the Department. The remainder of the profits from sales from commissary stores must be used first to pay for wages and benefits of employees covered under a collective bargaining agreement who are employed at commissary facilities of the Department and then to pay the costs of dietary staff."

The Department's Administrative Directive (A.D.) (02.44.110) states that the business office shall prepare the checks for 40% of the Commissary Funds monthly net profit and that the checks shall be made payable to the respective Benefit Fund.

Furthermore, the A.D. (02.44.110) states that the business office shall complete a reconciliation of excess cash available in the Inmate Commissary Fund and Employee Commissary Fund, if applicable, using the Commissary Fund Cash Review (Form DOC 0075) and submit the form to the Business Administrator. Once per month, the Business Administrator shall review and sign the Form DOC 0075, and may authorize payment to the Department's 523 Salary Reimbursement Fund or respective Benefit Fund.

Auditors reviewed the monthly transfers of profit by the 27 correctional centers and noted the following:

- Twelve centers (44%) did not transfer 40% of monthly commissary fund net profit to the related benefit fund an average of 4% of months during Fiscal Years 2023 and 2024.
- In 15% of instances where centers identified excess cash available in the commissary fund at month-end, those excess funds were not transferred fully or at all to the related benefit and/or 523 Fund, and insufficient documentation was maintained to support the center's decision to retain the excess cash. Since centers must retain sufficient funds to maintain commissary operations, cash excess is calculated as commissary funds remaining after deducting the total of payables plus one and a half times the cost of inventory on hand.

This finding was first noted during the Department's Fiscal Year 2016 State compliance examination, eight years ago. As such, the Department was unable to fully resolve this deficiency during the current examination period.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial reports and to maintain accountability over the State's resources.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management indicated the exceptions noted above were due to low or negative excess cash available and funds being retained to maintain the operation of the commissaries.

Not transferring the required amount of profits to the Inmate and Employee Benefit Funds results in a significant accumulation of amounts owed by the Commissary Funds and the failure to meet the intent of the mandate.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department has made a concerted effort to pay down the liabilities owed by the commissaries to the benefit funds, which resulted in a reduction of $1.7 million between Fiscal Year 2022 and 2024. At the end of each month, the Department's accounting system used for the commissaries automatically calculates the amount of profit in each commissary fund and records a liability due to each benefit fund in the amount of 40% of those profits. The Department processes the profit payments the

following month during the month end close process. As a result, there will always be a liability owed by the commissary funds to the benefit funds at the end of each month.

UPDATED RESPONSE:

Partially Implemented at 50% with full implementation anticipated by June 30, 2026. Implementation: Facility Business Administrators

- The Department has made a concerted effort to pay down the liabilities owed by the commissaries to the benefit funds. The ending liability at June 30, 2025 was approximately $3.1 million, of which approximately $270,000 was the liability for the month of June 2025. At the end of each month, the Department's accounting system used for the commissaries automatically calculates the amount of profit in each commissary fund and records a liability due to each benefit fund in the amount of 40% of those profits. The Department processes the profit payments the following month during the month end close process. As a result, there will always a liability owed by the commissary funds to the benefit funds at the end of each month.

4. **The auditors recommend the Department implement measures to identify individuals subject to notification requirements and to report required information to the appropriate parties as soon as possible. They also recommend the Department seek legislative remedy if the mandated timeframe for notification is deemed unreasonable.**

FINDING: *(Failure to provide offender resident information to appropriate parties) – This finding has been repeated since 2020.*

The Department of Corrections (Department) failed to appropriately notify the appropriate parties of residency of persons on parole and mandatory supervised release.

The Unified Code of Corrections (Code) (730 ILCS 5/3-14-1(c-5)) states if a person on parole or mandatory supervised release becomes a resident of a facility licensed or regulated by the Department of Public Health (DPH), Department of Healthcare and Family Services (HFS), or Department of Human Services (DHS), the Department shall provide copies of the following information to the appropriate licensing or regulating Department and the licensed or regulated facility where the person becomes a resident within 3 days:

(1) the mittimus and any pre-sentence investigation reports
(2) the social evaluation prepared pursuant to Section 3-8-2
(3) any pre-release evaluation conducted pursuant to subsection (j) of Section 3-6-2
(4) reports of disciplinary infractions and dispositions
(5) any parole plan, including orders issued by the Prisoner Review Board, and any violation reports and dispositions
(6) the name and contact information for the assigned parole agent and parole supervisor.

The Code (730 ILCS 5/3-14-1(c-10)) also requires the Department provide written notification of such residence to the Prisoner Review Board and the chief of police and sheriff in the municipality and county in which the licensed facility is located within 3 days of the person becoming a resident of the facility.

The auditors requested the Department provide the population of persons on parole or mandatory supervised release who became a resident of a facility licensed or regulated by the DPH, HFS, or DHS in Fiscal Year 2023 or Fiscal Year 2024. However, the Department was unable to provide the requested population and therefore, they were unable to test whether notifications occurred. As of June 30, 2023, and June 30, 2024, the Department had a total of 17,831 and 15,185 individuals, respectively, on parole or mandatory supervised release.

This finding was first noted during the Department's Fiscal Year 2020 State compliance examination, four years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The State Records Act (5 ILCS 160/8) requires each agency head to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management indicated they could not notify appropriate parties within the three-day deadline because parolees that have medical conditions may become residents at a hospital or medical center without advance notice, prohibiting the individual in custody from updating their address to the Parole Division. The Department stated at this time, no such parolee tracker exists for this unfunded mandate although additional programming has been requested to better track parolee residency.

Failure to provide residency information to the appropriate parties reduces the effectiveness of governmental oversight and the ability of the residential facility and local law enforcement to fulfill their responsibilities as informed by the offender's conditions of release.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department is not able to provide the mandated information within the 3-day turnaround time because they are rarely notified within this time frame that a person on parole has become a resident of a facility licensed or regulated by the Department of Public Health, which is all hospitals and nursing homes within the State, Department of Healthcare and Family Services, or the Department of Human Services. Therefore, the Department asked for a mandate revision during the Fall of 2024. However, the revision was not allowed to proceed.

UPDATED RESPONSE:
Under Study

- The Department is not able to provide the mandated information within the 3-day turnaround time because they are rarely notified within this time frame that a person on parole has become a resident of a facility licensed or regulated by the Department of Public Health, which is all hospitals and nursing homes within the State, Department of Healthcare and Family Services, or the Department of Human Services. Therefore, the Department asked for a mandate revision during the Fall of 2024. However, the revision was not allowed to proceed.

5. The Auditors recommend the Department:

- **Develop a process for identifying service providers and assessing the effect on internal controls of these services on an annual basis.**
- **Obtain SOC reports or perform independent reviews of internal controls associated with service providers at least annually.**
- **Analyze the SOC reports obtained to determine the impact of the report's opinion or noted deviations.**
- **Conduct an analysis of the CUECs documented in the SOC reports.**
- **Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Department, and any compensating controls.**
- **Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.**

FINDING: *(Lack of adequate controls over the review of internal control over service providers) – This finding has been repeated since 2018.*

The Department of Corrections (Department) did not obtain or conduct timely independent internal control reviews over its service providers.
The Department utilized various service providers for infrastructure, shared services, and hosting the Department's various applications, maintaining resident's medical records, as well as for the preparation of financial reports and statements. The auditors requested the Department provide its population of service providers utilized by the Department in order to determine if they had reviewed the internal controls over the service providers. In response to their request, the Department identified four service providers; however, they did not ensure the population was complete and accurate.

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

§ 205). Even given the population limitations noted above, they performed testing of the four identified service providers.

During testing, the auditors noted the Department had not:

- Developed a process for identifying service providers and assessing the effect on internal controls of these services on an annual basis.
- Obtained System and Organization Control (SOC) reports or conducted independent internal control reviews for 4 (100%) service providers.
- Conducted an analysis of the SOC reports to determine the impact of the modified opinion(s) or noted deviations.
- Conducted an analysis of the Complementary User Entity Controls (CUECs) documented in the SOC reports.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control environment.

Additionally, they noted 2 of 4 (50%) contracts between the Department and the service providers did not contain a requirement for an independent review to be completed.

This finding was first noted during the Department's Fiscal Year 2018 State compliance examination, six years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology System and Service Acquisition section, requires entities outsourcing their information technology (IT) environment or operations to obtain assurance over the entities internal controls related to the services provided. Such assurance may be obtained via SOC reports or independent reviews.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

The Department management indicated the weaknesses were due to competing staff priorities.

The Department is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to assure its critical and

confidential data are adequately safeguarded. This responsibility is not limited due to the processes being outsourced.

Without having obtained and reviewed SOC reports or another form of independent internal control review, the Department does not have assurance the service providers' and subservice organizations' internal controls are adequate and operating effectively.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department has contracted with an outside service vendor to conduct a review of the Service Organization Controls (SOC) reports for the IT service providers used by the Department. The outside service vendor will provide training to enable Department management staff to complete the reviews in the future. The engagement is expected to begin in the next few months.

UPDATED RESPONSE:

Partially Implemented at 10%. Full implementation will be dependent on the external vendor's cooperation.

- Responsible for Implementation: Chief of Administration
- The Department is finalizing a contract with RSM US LLP to conduct a review of the Service Organization Controls (SOC) reports for the IT service providers used by the Department. RSM will provide training to enable Department management staff to complete the reviews in the future. The engagement is expected to begin in the next few months.

6. To enhance computing resource controls, the auditors recommend the Department:

- **Maintain an accurate and complete listing of application users.**
- **Develop and implement policies and procedures regarding the review of access rights to all applications.**
- **Ensure documentation is prepared when approving access to applications and required access rights are documented.**
- **Ensure access rights are promptly disabled upon an individual's separation from the Department or upon determination access is no longer required.**
- **Periodically review user access rights to ensure user accounts are appropriate based upon job responsibilities.**
- **Adopt a formal change management process to review, approve, and control all changes to its environment and applications.**

FINDING: *(Computer security weakness) – This finding has been repeated since 2016.*

The Department of Corrections (Department) failed to establish adequate controls over its computing environment.

The Department processed and maintained critical, medical, confidential, and financial information to meet its mission and mandates.

As part of their examination, the auditors requested the Department provide the population of application users for nine applications utilized by the Department. The Department was able to provide the system listings but was unable to provide documentation showing the listings were complete and reliable.

Due to these conditions, they were unable to conclude the Department's populations were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountant (AT-C § 205.36). ***Even given the population limitations noted above, which hindered the ability of the accountants to conclude whether the population was complete,*** they performed testing.

During their testing, the auditors noted the Department:

- Had not developed formal access review policies and procedures;
- Did not have adequate and complete documentation of user access request and approval forms for 6 of 60 (10%) sampled new users;
- Did not timely remove the access of 39 of 221 (18%) system users for which system access was no longer appropriate; and
- Did not provide documentation to determine if the users' access levels were appropriate for 34 of 60 (57%) sampled users.

Additionally, upon review of the Department of Information Technology (DoIT) applications user listings, they noted 3 terminated users who remained active in the systems and 1 user with inappropriate access related to her job role and responsibility.

Furthermore, the Department had not conducted a periodic review (at least, annually) of user access rights to its computer systems to ensure the access rights are still appropriate.

These exceptions were first noted during the Department's Fiscal Year 2016 State compliance examination. As such, Department management has been unsuccessful in implementing a sufficient corrective action plan to remedy these deficiencies.

The auditors also noted the Department had not adopted a formal change management process to review, approve, and control all changes to its environment and applications.

The *Framework for Improving Critical Infrastructure and the Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Access Control

section, sanctions the development of policies and procedures and ensuring appropriateness of access rights, including periodic access reviews.

The *Framework for Improving Critical Infrastructure and the Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the NIST, Configuration Management and System and Services Acquisition sections, requires entities to document the control over changes to applications and data to ensure changes are authorized and reviewed and ensure proper segregation of duties.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and to maintain accountability over the State's resources.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

The Department management stated the weaknesses were due to lack of resources and competing priorities. Further, Department management indicated the volume of users of Department applications severely hinder the ability to effectively review each individual's access across multiple applications periodically.

Without the implementation of adequate controls and procedures for computer resources, there is an increased risk that unauthorized individuals may gain access to these resources or changes made may be inappropriate or might not meet the Department's needs. These deficiencies could result in unauthorized access, manipulation, and misuse of the Department's computer systems.

DEPARTMENT RESPONSE:

- Recommendation accepted and partially implemented.
- The Department has developed a process by which an Electronic Service Request is required to grant access and deprovision access to the Department's computer software programs. Additionally, the Department of Innovation and Technology (DoIT) provides the Department a list of accounts each quarter that have been tagged as dormant. This list is compared to the Department's active list and any accounts found to be truly dormant have all security permissions removed. The use of DoIT Service Now onboarding and off-boarding tickets also provides a check that only active, approved users are granted a specific set of security rights. The Department's Human Resources Office provides the Information Technology team with lists of employees each month that may have changed job titles. These new titles are compared with their security levels and adjusted to meet their new role.

UPDATED RESPONSE:

Partially Implemented.

- Responsible for Implementation: Chief Administrative Officer

- The Department has developed a process by which an Electronic Service Request is required to grant access and deprovision access to the Department's computer software programs. Additionally, the Department of Innovation and Technology (DoIT) provides the Department a list of accounts each quarter that have been tagged as dormant. This list is compared to the Department's active list and any accounts found to be truly dormant have all security permissions removed. The use of DoIT Service Now on-boarding and off-boarding tickets also provides a check that only active, approved users are granted a specific set of security rights. The Department's Human Resources Office provides the Information Technology team with lists of employees each month that may have changed job titles. These new titles are compared with their security levels and adjusted to meet their new role.

7. The auditors recommend the Department:

- **Document a risk assessment methodology and conduct a comprehensive risk assessment or implement risk reducing internal controls.**
- **Develop a data classification policy.**
- **Develop policies and procedures on ensuring confidential, sensitive, or personal data are wiped from missing, lost, stolen, or disposed electronic data processing devices.**
- **Develop a formal, comprehensive, adequate, and communicated security program (policies, procedures, and processes) to manage and monitor the regulatory, legal, environmental, and operational requirements.**

FINDING: *(Weaknesses in Cybersecurity Programs and Practices) – This finding has been repeated since 2016.*

The Department of Corrections (Department) had not implemented adequate internal controls related to cybersecurity programs and practices.

As a result of the Department's mission of serving justice and maintaining public safety, the Department maintains computer systems which contain large volumes of confidential, personal, and medical information.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During their examination of the Department's cybersecurity program, practices, and control of confidential information, the auditors noted the Department:

- Had not documented a risk assessment methodology and had not conducted a comprehensive risk assessment or implemented risk reducing internal controls.
- Had not developed a data classification policy.

- Had not developed policies and procedures on ensuring confidential, sensitive, or personal data are wiped from missing, lost, stolen, or disposed electronic data processing devices.

Although the Department provided the Department of Innovation and Technology's (DoIT) security policies, the Department had not conducted an assessment of DoIT's policies to determine if they met their requirements. In fact, DoIT's security policies state the agencies must establish procedures in order to achieve policy compliance. In addition, the Department did not provide policies and procedures related to:

- Protecting Mobile Devices
- Protection of Personally Identifiable Information
- Security breaches or data loss
- Secure deletion of data from electronic media

This finding was first noted during the Department's Fiscal Year 2016 State compliance examination, eight years ago. Department management has been unsuccessful in implementing a corrective action plan to fully remedy all deficiencies.

The *Framework for Improving Critical Infrastructure and the Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) (Risk Assessment, Contingency Planning, and Media Protection sections) published by the National Institute of Standards and Technology requires entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints, and the maintenance, retention and destruction of data in order to ensure the security of their applications, data, and continued business mission.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and to maintain accountability over the State's resources.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

The Department management indicated the weaknesses were due to competing staff priorities. Additionally, the Department indicated the turnover of the Department's information technology staff to DoIT and lack of clarity regarding transferred roles and responsibilities to DoIT contributed to the control weaknesses.

Weaknesses in cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the accidental or unauthorized disclosure of confidential or personal information.

<u>DEPARTMENT RESPONSE:</u>
- Recommendation accepted.
- The Department is in the process of developing policies and procedures related to the issues contained within the finding.

<u>UPDATED RESPONSE:</u>
Partially Implemented at 25%.
- Responsible for Implementation: Chief Administrative Officer
- The Department is in the process of developing policies and procedures related to the issues contained within the finding.

8. The auditors recommend the Department:

- **Complete development and implement a comprehensive disaster recovery plan. At a minimum, the plan should reflect the current environment, identify a prioritized list of critical applications, detailed recovery scripts, recovery time objectives, outline the recovery team responsibilities and contact information, alternative recovery locations, and off-site storage facilities.**
- **Annually test the plan and update, where necessary, based on the test results.**

<u>FINDING:</u> *(Lack of disaster contingency planning or testing to ensure recovery of computer systems) – This finding has been repeated since 2012.*

The Department of Corrections (Department) had not developed a disaster recovery plan or conducted recovery testing to ensure the timely recovery of its applications and data.

During the examination period, the Department worked with Department of Innovation and Technology (DoIT) to begin drafting a disaster recovery plan. As of June 30, 2024, the Department had not yet completed planning for 16 (42%) of 38 identified systems.

Further, the Department did not conduct a disaster recovery test during Fiscal Years 2023 and 2024. The Department also did not perform periodic reviews of its back-ups to ensure they were successfully performed and recoverable when needed.

This finding was first noted during the Department's Fiscal Year 2012 State compliance examination, twelve years ago. As such, Department management had been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Additionally, the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Contingency Planning section, requires entities to have an updated and regularly tested disaster contingency plan to ensure the timely recovery of applications and data.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

The Department management indicated the disaster recovery plan had not been completed, and a disaster recovery test had not been performed due to competing priorities.

Failure to develop and test a disaster recovery plan leaves the Department exposed to the possibility of major disruptions of service.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department of Innovation and Technology (DoIT) has now completed disaster recovery plans for all Department applications managed by DoIT. The Department is in the process of drafting a policy related to disaster recovery planning.

UPDATED RESPONSE:

Fully Implemented.

- Responsible for Implementation: Department of Innovation and Technology (DoIT) Chief Information Officer (CIO)
- As of September 4, 2024, the DoIT had completed a disaster recovery plan for all applications owned by the Department of Corrections and managed by DoIT. A disaster recovery test of the Department's applications was completed on March 15, 2025, by DoIT.

9. The auditors recommend the Department:

- **Review current practices to determine if enhancements can be implemented to prevent the theft or loss of computers.**
- **Perform and document an evaluation of data maintained on computers and ensure those containing confidential information are adequately tracked and protected with methods such as encryption.**

Further, they recommend the Department immediately assess if missing computers contained confidential information and take the necessary actions per the Department's policies and the Personal Information Protection Act notification requirements.

FINDING: *(Inadequate controls over computer inventory) – This finding has been repeated since 2012.*

The Department of Corrections (Department) reported 209 missing computer inventory items during Fiscal Years 2023 and 2024, including computers which may have contained confidential information.

Per review of Department property records, the auditors noted 142 computer inventory items not located in Fiscal Year 2023, totaling $238,857, and 67 computer inventory items not located in Fiscal Year 2024, totaling $48,431. The missing computer equipment ranged from 6 to 30 years old and may not be capable of supporting encryption. The Department could not determine if the missing computers contained confidential information or were encrypted at the time, they were reported missing.

Although the Department had established procedures regarding the proper storage of electronic data, there is a possibility that confidential or personal information could reside on missing computers.

This finding was first noted during the Department's Fiscal Year 2012 State compliance examination, twelve years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The State Property Control Act (30 ILCS 605/4 and 6.02) requires the Department to be accountable for the supervision, control, and inventory of all items under its jurisdiction and control. In addition, the Department has the responsibility to ensure that confidential information is protected from disclosure and provisions in the Personal Information Protection Act (815 ILCS 530) are followed.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management indicated exceptions were due to employee turnover and lack of resources.

Failure to maintain adequate controls over computer equipment and to follow up on missing computer inventory items has resulted in lost or stolen State property and increases the risk of potential exposure of confidential information.

DEPARTMENT RESPONSE:

- Recommendation accepted.

- The Department has made a concerted effort to locate the missing computer equipment such that there were only 67 missing at the end of FY24. The Department will continue these efforts.

UPDATED RESPONSE:
Partially Implemented at 50% with implementation anticipated by 12/31/25.
- Responsible for Implementation: Chief Administrative Officer
- The Department has actively worked to recover the missing computer equipment and to keep sensitive data encrypted.

10. The auditors recommend the Department strengthen internal controls to document and monitor all training and follow up to ensure employees receive the required training to enable them to perform their specific job duties and to reduce risks to the Department.

FINDING: *(Failure to meet training requirements) – This finding has been repeated since 2000.*

The Department of Corrections (Department) did not document the completion of all employees' training requirements during Fiscal Year 2023 and Fiscal Year 2024.

The Department administers training and requires that all new employees receive orientation and pre-service training, and all employees receive in-service training on a fiscal year basis. In addition, the Department follows training requirements of the State Officials and Employees Ethics Act.

The auditors requested the Department provide the population of employees active, hired, and separated during Fiscal Year 2023 and Fiscal Year 2024. In response to their request, the Department provided a population that contained inconsistencies. Due to these conditions, they were unable to conclude the Department'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) to fully test the Department's compliance with requirements for training.

Even given the population limitation noted above which hindered the ability of the accountants to conclude whether the selected samples were representative of the population as a whole, they selected a sample of employees to review employee training and identified exceptions as noted below.

During their testing of personnel training records, the auditors noted the following:

- Five of 60 (8%) employees tested did not complete the Fiscal Year 2023 minimum in-service training hours. One of the employees lacked documentation of any in-service training, and the other four employees lacked 1.5 to 18.5 required annual training hours.

- Two of 60 (3%) employees tested did not complete the Fiscal Year 2024 minimum in-service training hours. One employee lacked 0.75 required annual training hours and the other employee lacked 28.5 required annual training hours.
- One of 60 (2%) employees tested did not complete the 2023 cybersecurity training and the 2023 sexual harassment and discrimination prevention training.

This finding was first noted during the Department's Fiscal Year 2000 State compliance examination, issued 24 years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The Unified Code of Corrections (730 ILCS 5/3-2-7) states the Department shall train its own personnel. The Department's Administrative Directive (03.03.102) details the initial and annual training hours required based on position.

The State Officials and Employees Ethics Act (5 ILCS 430/5-10.5) requires each officer, member, and employee to complete, at least annually, a harassment and discrimination prevention training program.

The Data Security on State Computers Act (20 ILCS 450/25(b)) states every employee shall annually undergo training by the Department of Innovation and Technology concerning cybersecurity to include detecting phishing scams, preventing spyware infections and identity theft, and preventing and responding to data breaches.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management stated the exceptions were due to employee and management oversight.

Employees who have not received the minimum training may not be receiving important information and background preparation for their specific job duties. Training is crucial to Department employees, especially in the case of individuals who have direct contact with individuals in custody. Harassment and discrimination prevention training are necessary to inform employees of their rights and responsibilities. Furthermore, the failure of employees to complete cybersecurity training could result in unidentified risk and vulnerabilities and ultimately lead to the accidental or unauthorized disclosure of confidential or personal information.

<u>DEPARTMENT RESPONSE:</u>

- Recommendation accepted.
- The Department has resource computers in the centers for those without access to a computer during their regular duties so that they can complete their required training during work hours. Due to short staffing in the centers, staff are unable in some instances to be relieved of regular duties to complete required training. The Department has implemented a Northern and Southern region training academy for new correctional officer staff to complete the initial training, such that there are

currently three academies in place. The Department also has a system whereby a staff person who has not obtained the required training is given a corrective action plan to ensure they are compliant. If they still do not meet the training requirements, they are issued disciplinary tickets.

UPDATED RESPONSE:
Partially implemented at 75% with anticipated completion date of June 30, 2026.

- Responsible for Implementation: Manager of Staff Development and Training
- The Department has resource computers in the Centers for those without access to a computer during their regular duties so that they can complete their required training during work hours. The Department also has a system whereby a staff person who has not obtained the required training is given a corrective action plan to ensure they are compliant. If they still do not meet the training requirements, they are issued disciplinary tickets. In addition, the Manager of Staff Development and Training has begun to review training reports by facility and discussing compliance with training requirements with the Warden and Training Coordinator of each facility.

11. The auditors recommend the Department identify and follow up on needed evaluations, and hold management accountable for completing and documenting employee performance evaluations on a timely basis.

FINDING: *(Employee performance evaluations not performed) – This finding has been repeated since 2006.*

The Department of Corrections (Department) did not complete performance evaluations for its employees or did not timely complete employee performance evaluations.

The auditors requested the Department provide the population of employees who were active, hired, and separated during Fiscal Year 2023 and Fiscal Year 2024. In response to their request, the Department provided a population that contained inconsistencies. Due to these conditions, they were unable to conclude the Department'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) to fully test the Department's compliance with requirements for performance evaluations.

Even given the population limitation noted above which hindered the ability of the accountants to conclude whether the selected samples were representative of the population as a whole, they selected a sample of employees to review performance evaluations and identified exceptions as noted below.

During their testing of personnel files for 60 employees, the auditors reviewed 60 performance evaluations for both Fiscal Year 2023 and Fiscal Year 2024 and noted the following:

- Twenty (33%) employees did not have an annual performance evaluation in Fiscal Year 2024.
- Thirteen (22%) employees did not have an annual performance evaluation in Fiscal Year 2023.
- Eleven (18%) employees' annual performance evaluations for Fiscal Year 2023 were not performed in a timely manner, ranging from 1 to 340 days late.
- Two (3%) employees' annual performance evaluations for Fiscal Year 2024 were performed 86 and 129 days late.
- One (2%) employee's final probationary evaluation was performed 9 days late in Fiscal Year 2023.

This finding was first noted during the Department's Fiscal Year 2006 State compliance examination, eighteen years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The Illinois Administrative Code (80 Ill. Admin. Code 302.270) requires performance records to include an evaluation of employee performance prepared by each agency with such evaluation performed not less often than annually.

The Department's Administrative Directive (03.03.110) states that each employee shall have a list of measurable objectives for a specific work period and shall receive a documented evaluation of his or her job performance at least annually. A formal job performance evaluation shall be conducted by supervisory staff on each employee prior to the completion of any probationary period and annually thereafter. For bargaining unit employees, the performance evaluation shall be submitted no later than seven days after the employee's annual date or the last day of the probationary period, unless circumstance warrant the withholding of the annual salary increases or non-certification. For merit compensation employees, evaluations are required to be submitted at least 30 days prior to the employee's annual date.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management stated exceptions were due to competing priorities.

Good internal controls dictate the annual evaluation be performed in a timely manner as it is an important component of the communication between the employee and employer on the performance and future expectations of the employee in the workplace. Employee evaluations support administrative personnel decisions by documenting regular performance measures.

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 improvements, and current year's performance goals and objectives may not be identified and communicated in a timely manner. Further, employee performance

evaluations should serve as a foundation for salary adjustments, promotions, demotions, discharges, layoffs, recalls, or reinstatement decisions.

DEPARTMENT RESPONSE:
- Recommendation accepted.
- The Department will strive to ensure employee evaluations are completed timely.

UPDATED RESPONSE:
Under Study
- The Department will strive to ensure employee evaluations are completed timely. Once the ERP Team rolls out the employee evaluation portion of the Human Capital Management (HCM) system, this process will become automated.

12. The auditors recommend the Department review its current procedures to prepare, review, and retain I-9 Forms and make necessary changes to ensure timely completion, approval, and maintenance in compliance with federal requirements.

FINDING: *(Inadequate maintenance of Employment Eligibility Verification Forms) – This finding has been repeated since 2022.*

The Department of Corrections (Department) did not maintain all U.S. Citizenship and Immigration Services I-9 Employment Eligibility Verification Forms (I-9 Forms) as required.

The auditors requested the Department provide the population of employees active, hired, and separated during Fiscal Year 2023 and Fiscal Year 2024. In response to their request, the Department provided a population that contained inconsistencies. Due to these conditions, they were unable to conclude the Department'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) to fully test the Department's compliance with requirements for I-9 Forms.

Even given the population limitation noted above which hindered the ability of the accountants to conclude whether the selected samples were representative of the population as a whole, they selected a sample of employees to review I-9 Forms and identified exceptions as noted below.

During the time of testing of I-9 Forms for 60 employees, the auditors noted the following exceptions:

- Twenty-three (38%) employees' I-9 Forms were missing.
- Two (3%) employees' I-9 Forms were not properly completed by the Department.
- Two (3%) employees' I-9 Forms were signed 1 and 3 days late.
- One (2%) employee's I-9 Form was completed on an expired form.

The Immigration Reform and Control Act of 1986 (8 U.S.C. § 1324a) and the Code of Federal Regulations (8 CFR § 274a.2) require employers to document that each new employee (both citizens and noncitizens) hired after November 6, 1986, is authorized to work in the United States. Furthermore, employees are required to complete and sign Section 1 of the I-9 Form no later than the first day of employment.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Department management indicated exceptions were due to improper filing and clerical oversight.

Failure to complete I-9 Forms within the required timeframe and to maintain adequate controls over required employment forms could result in unauthorized individuals being employed by the Department and could expose the Department to penalties.

DEPARTMENT RESPONSE:

- Recommendation implemented.
- The Department revised their procedures several years ago to require that all I-9 Forms be retained for the required timeframe per federal law for all new employees. However, in years past, some facilities within the Department were not retaining the I-9 Forms themselves but rather a checklist indicating that an I-9 Form was completed at the time of hire. Therefore, the Department believes this issue has been corrected.

ACCOUNTANT'S COMMENT:

Despite the Department's measures taken to retain I-9 Forms for new employees going forward, testing revealed I-9 Forms were not maintained for 38% of employees tested for three years after the date of hire or one year after termination as required by the Code of Federal Regulations for employees hired.

UPDATED RESPONSE:

Implemented.

- Responsible for Implementation: Deputy Director of Human Resources
- While the Department acknowledges an issue in the past where facility Human Resources staff did not maintain the I-9 form for the required length of time, the Department has sent out the current guidelines regarding completion; approval and retention of the I-9 form along with the current I-9 form to all facility Human Resources offices and to general office Transactions staff.

13. The auditors recommend the Department strengthen internal controls to ensure timely submission of required reports.

FINDING: *(Inadequate controls over the submission of required employment reports) – This finding has been repeated since 2018.*

The Department of Corrections (Department) did not maintain adequate controls over the submission of required employment reports.

During their testing of the Agency Workforce Reports, the auditors noted:

- The Fiscal Year 2022 Agency Workforce Report due in Fiscal Year 2023 was submitted 65 days late to the Secretary of the State and was not submitted to the Office of the Governor.

- The Fiscal Year 2023 Agency Workforce Report due in Fiscal Year 2024 was submitted 2 days late to the Office of the Governor.

This finding was first noted during the Department's Fiscal Year 2018 State compliance examination, six years ago. As such, Department management has been unsuccessful in fully remedying this deficiency.

The State Employment Records Act (Act) (5 ILCS 410/20) requires each State agency to collect, classify, maintain, and report information of the number of State employees. All information required by the Act must be submitted to the Secretary of State and the Governor by January 1 of each year.

The State Records Act (5 ILCS 160/8) requires each agency head to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management stated the exceptions were due to conflicting priorities.

Failure to timely file accurate Agency Workforce Reports impedes the State's ability to monitor the fulfillment of the purpose of the Act, which is to provide information to help guide efforts to achieve a more diversified workforce.

DEPARTMENT RESPONSE:

- Recommendation implemented.
- The reports are now being sent to the required entities via email on a timely basis.

UPDATED RESPONSE:

Partially Implemented at 50% with fully implementation anticipated by December 31, 2025.

- Responsible for Implementation: Budget Manager
- The reports will be sent to the required entities via email on a timely basis.

14. The auditors recommend the Department implement an automated timekeeping system.

FINDING: *(Payroll timekeeping system not automated) – This finding has been repeated since 1998.*

The Department of Corrections (Department) payroll timekeeping system was not automated.

The Department continued to maintain a manual timekeeping system for 11,670 employees for the year ended June 30, 2024, and 11,495 employees for the year ended June 30, 2023. Correctional employees either signed in and out or stood for roll call, then these sheets were forwarded to timekeeping staff. Other information, including notifications of absences and overtime, compensatory time and other adjustments to pay were also forwarded to timekeepers. However, the Department had not implemented an automated timekeeping system during the examination period. As a result, their testing of compensatory time noted significant exceptions as reported in Finding 2024-015.

This finding was first noted during the Department's Fiscal Year 1998 State compliance examination, twenty-six years ago. As such, Department management had been unsuccessful in implementing corrective action to remedy this deficiency.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls and prudent business practices suggest that controls available through automated timekeeping systems can provide greater efficiency and reduce the potential for costly errors or employee abuse.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management stated the failure to implement an automated timekeeping system was due to continued delays in the implementation of the Employee Central Payroll module of the Human Capital Management system by the State of Illinois.

The lack of an automated timekeeping system increases the risk of errors and control inefficiencies due to the volume of data entry required to maintain manual timesheets and the increased possibility of human error. In addition, this can lead to difficulty in tracking and monitoring compensatory accrual and leave balances.

DEPARTMENT RESPONSE:

- Recommendation accepted.

- Once the State of Illinois implements the Payroll Module of the Human Capital Management (HCM) system, the schedule for Department staff without access to a computer during their normal job duties, such as security staff in the centers, will be preloaded into this system. Adjustments to the schedule such as leave time, overtime, and compensatory time will be entered into the HCM system by timekeepers. Department staff who have access to a computer during their normal job duties will clock in and out in the HCM system. The Department of Innovation and Technology Enterprise Resource Planning team has not released a date for implementation of the Payroll Module of HCM for the Department of Corrections.

UPDATED RESPONSE:
Under Study.

- Once the State of Illinois implements the Payroll Module of the Human Capital Management (HCM) system, the schedule for Department staff without access to a computer during their normal job duties, such as security staff in the centers, will be preloaded into this system. Adjustments to the schedule such as leave time, overtime, and compensatory time will be entered into the HCM system by timekeepers. Department staff who have access to a computer during their normal job duties will clock in and out in the HCM system. The Department of Innovation and Technology Enterprise Resource Planning team has not released a date for implementation of the Payroll Module of HCM for the Department of Corrections.

15. The auditors recommend the Department comply with the federal FLSA by not allowing employees to accrue more than 480 hours of compensatory time.

FINDING: *(Compensatory time accrual in violation of federal law) – This finding has been repeated since 2014.*

The Department of Corrections (Department) allowed excessive accruals of compensatory time in violation of federal law.

The Department violated the federal Fair Labor Standards Act of 1938 (FLSA) for compensatory time accrual by allowing Department employees to accrue more than 480 hours of compensatory time during a one-year period. The FLSA (29 USC 207(o)(3)(A)) does not allow public safety employees of a State agency to accrue more than 480 hours of compensatory time.

According to the Department, for Fiscal Year 2024 through June 30, 2024, there was a total of 951,129 hours of compensatory time used/reimbursed at a cost of $39,156,099, more than double of both the hours and cost for Fiscal Year 2022. Stateville Correctional Center reported 92,098 hours of overtime compensatory time paid at a cost of $4,026,403, the highest amount of compensatory time of any correctional facility. The facility with the next highest amount of compensatory time was Menard Correctional Center with 84,180 hours of compensatory time at a cost of $3,409,070.

The auditors reviewed Fiscal Year 2023 and 2024 compensatory time for 20 employees, 10 each from Stateville Correctional Center and Menard Correctional Center. As part of their review, they obtained employee annual timesheets and payroll information for each pay period. For 2 of 20 (10%) employees sampled, timesheets showed they were allowed to accrue more than 480 hours of compensatory time during at least one month and up to six months for each of the two years ended June 30, 2023 and 2024, which peaked at a monthly total of 688.5 and 61.5 hours, respectively, in excess of allowable accrued time.

The Department did not have a centralized timekeeping system to track the hours of compensatory time that employees had accrued during Fiscal Years 2023 and 2024. The Department used a manual timekeeping system to track the compensatory time accrued/earned for each employee. This finding was first noted during the Department's Fiscal Year 2014 State compliance examination, ten years ago. As such, Department management has been unsuccessful in fully implementing a corrective action plan to remedy this deficiency.

The Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination

Department management stated the exceptions were due to human error and employee oversight, as the Department did not timely monitor the accrued compensatory time earned.

Allowing employees to accrue excessive compensatory time violates federal law and may result in a loss of funds for the State. Further, compensatory time liquidated later in the fiscal year may be paid at a higher rate than if it was paid earlier in the year. This is because employees who wait until all cost-of-living raises, merit raises, and promotions are received prior to liquidating the time for cash receive a higher rate of pay for the accrued compensatory time. Because the Department did not have a centralized electronic timekeeping system during the examination period, it was difficult to quantify how prevalent the accrual of compensatory time was.

DEPARTMENT RESPONSE:

- Recommendation implemented.
- The Department runs a report each payroll close to monitor the comp time balances for all employees. Any employee who has exceeded the federally allowed limit for their position is identified and payroll staff are instructed to process a pay out on the next payroll close. The Department pays one pay period in arrears such that the pay period occurring on the 1st through the 15th of each month is paid on the last day of the month and the pay period occurring on the 16th through the last day of the month is paid on the 15th day of the following month. Therefore, the next payroll close is the earliest the payout can occur.

UPDATED RESPONSE:

Fully Implemented.

- Responsible for Implementation: Payroll Manager

- The Department runs a report each payroll close to monitor the comp time balances for all employees. Any employee who has exceeded the federally allowed limit for their position is identified and payroll staff are instructed to process a pay out on the next payroll close.

16. The auditors recommend the Department monitor the use of leave time being used on the same day as overtime is worked and comply with its training manual by not allowing employees to work overtime on the same day that a full day of leave time is also used.

FINDING: *(Taking paid leave time and working overtime on the same day) – This finding has been repeated since 2014.*

The Department of Corrections (Department) allowed employees to use leave time (i.e., sick, vacation, personal leave, and accumulated holiday time) for their regular shift and then work another shift at an overtime rate on the same day. While there may be instances where this would be a needed solution to a difficult staff coverage scenario, it could be a sign of abuse of overtime and may be against Department policy.

According to the Department, for Fiscal Year 2024 through June 30, 2024, there was a total of 2,958,142 hours of overtime paid at a cost of $151,734,099. Stateville Correctional Center reported 393,832 hours of overtime at a cost of $21,829,406, the highest amount of overtime of any correctional facility. The facility with the next highest amount of overtime was the Dixon Correctional Center with 210,329 hours of overtime at a cost of $10,977,269.

The auditors reviewed overtime payments for 20 employees. They selected 10 employees at the Stateville Correctional Center and 10 employees at the Dixon Correctional Center who had the highest amount of overtime paid. As part of our review, they obtained employee annual timesheets and payroll reports. In their review of these 20 employee timesheets, 16 employees (80%) had used a full day of benefit time at least once during the fiscal year on the same day they had worked an overtime shift. For these 16 employees, the auditors identified a total of 150 instances for the two years ended June 30, 2024, in which employees used a full day of leave time (7.5 hours) the same day that they also worked overtime. The instances per employee ranged from 1 to 30 instances during Fiscal Year 2023 and Fiscal Year 2024.

They requested any union agreements that allow overtime pay on the same day that leave time is taken; however, the Department could not provide any union agreements which did so.

The Department's Overtime Equalization Training Manual requires the Department to not consider employees on benefit time for Master Overtime Equalization if the overtime is occurring during the time of the employee's absence.

This finding was first noted during the Department's Fiscal Year 2014 State compliance examination, ten years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management indicated employees take paid leave and work overtime on the same day due to lack of staff and competing priorities for employees' time.

The financial advantage of this practice from the employee's perspective is that the employee is paid for the leave time shift at the usual rate for that day and then also paid for the overtime shift at 1.5 times the usual rate of pay on the same day. The financial effect on the State, however, is that not only does the State pay the employee at the overtime rate for the shift worked in addition to the regular rate for the leave time taken, but the State may need to pay another employee overtime to cover the shift for which the leave time was used. This type of abuse of leave time may be an example of "shift swapping" in which employees knowingly use leave time and swap shifts in order to gain a financial advantage.

DEPARTMENT RESPONSE:

- Recommendation implemented.
- The Department follows the policy listed in the finding by not allowing employees to work overtime on the same shift for which benefit time was used, since the overtime would occur during their absence.
- The Department plans to revise the Overtime Equalization Manual to explicitly state the circumstances where the policy applies.
- The Department would like to point out the following information. The State of Illinois' Collective Bargaining Agreement with the union that represents the majority of the Department's employees requires that prior to mandating an employee to work overtime, the Department "shall exhaust all efforts to seek volunteers to work the overtime, which shall be: 1) Providing a volunteer sign-up sheet for mandating purposes at the employees' respective facility for future dates; 2) Exhausting all volunteer lists within the Facility including, but not limited to: Full Shift Voluntary Lists; Half Shift and/or Split Shift Voluntary Lists, Mandate Relief Voluntary Lists." If the Department excludes offering overtime occurring on a shift other than the shift for which benefit time was used to employees listed on one of the above-mentioned lists, this would be a violation of the collective bargaining agreement and would result in a higher cost to the State.

ACCOUNTANT'S COMMENT:

Department management contends in their finding response that the Manual only prohibits an employee from working overtime during the hours an employee is on leave.

Since 2014, the Department had accepted the recommendation to "comply with its training manual by not allowing employees to work overtime on the same day that a full day of leave time is also used". The Department also issued a directive in 2016 that "employees who utilize a full shift of pre-approved benefit time off on their regularly assigned shift shall not be eligible for an overtime offering for [n]either the preceding shift nor the following shift."

The Department did not provide documentation of their current position in sufficient time to allow us to test and fully evaluate the Department's claims in response to the finding which are inconsistent with documentation examined regarding the allowability of overtime pay on the same day that leave time is taken.

Management's response that this practice is allowed by the Manual and the union agreement contradicts the Department's historical response, as well as evidence from compliance testing.

UPDATED RESPONSE:
Implemented.

- Responsible for Implementation: Chief of Operations
- The Department follows the policy listed in the finding by not allowing employees to work overtime on the same shift for which benefit time was used, since the overtime would occur during their absence.
- The Department revised the Overtime Equalization Manual language to the following: Employees on benefit time shall not be considered for Master Overtime Equalization if the overtime is occurring during the employee's regularly assigned shift. An employee cannot take their assigned shift off and then work overtime for the same shift if overtime becomes a necessity. An employee can however work overtime on a day when benefit time is used, if the overtime is not their regularly assigned shift, to avoid an employee being mandated to work the overtime. These situations are unordinary but can be done to avoid mandatory overtime.

17. The auditors recommend the Department timely approve proper bills and obligations due.

FINDING: *(Voucher processing weaknesses) – This finding has been repeated since 2014.*

The Department of Corrections (Department) did not timely submit its vouchers for payment to the Comptroller's Office.

Due to their ability to rely upon the processing integrity of the Enterprise Resource Planning System (ERP) operated by the Department of Innovation and Technology, the auditors were able to limit their voucher testing at the Department to determine whether certain key attributes were properly entered by the Department's staff into ERP. In order to determine the operating effectiveness of the Department's 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 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.

They then conducted an analysis of the Department's expenditures data for Fiscal Years 2023 and 2024 and noted the following:

- The Department did not timely approve 24,256 of 102,318 (24%) vouchers processed during the examination period, totaling $486,027,301. The auditors noted these vouchers were approved between 31 and 395 days after receipt of a proper bill or other obligating document.

  The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70) requires the Department to timely review each vendor's invoice and approve proper bills within 30 days after receipt. The Code (74 Ill. Admin. Code 1000.50) also requires the Department to process payments within 30 days after physical receipt of Internal Service Fund bills.

  The Fiscal Control and Internal Auditing Act (FCIAA) (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

This finding was first noted during the Department's Fiscal Year 2014 State compliance examination, ten years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management indicated they previously thought the department head approval constituted approval of the voucher, rather than the agency head approval representing the final approval to pay. In addition, management stated the late approval of vouchers was caused by numerous factors such as conflicting priorities and short staffing for voucher processing. Management further stated they held off on processing prompt pay vouchers for interest due vendors until the end of the fiscal year to ensure they first paid all direct liabilities owed to vendors.

Failure to timely process proper bills and obligations due may result in noncompliance, unnecessary interest charges, and cash flow challenges for payees.

DEPARTMENT RESPONSE:

- o Recommendation accepted.
- o The Department will strive to approve vouchers timely.

UPDATED RESPONSE:
Partially Implemented

- o Responsible for Implementation: Assistant Deputy Director of Fiscal Operations
- o The Department will strive to approve vouchers timely. Due to the size of the Department and the volume of vouchers processed on a yearly basis, full implementation will be a challenge for the Department.

18. The auditors recommend the Department remind Center staff of the requirements set forth within the Administrative Directives and ensure locally held fund receipts are deposited timely and bank reconciliations are properly completed.

FINDING: *(Inadequate controls over locally held fund receipts and bank reconciliations) – New*

The Department of Corrections (Department) did not maintain adequate controls over locally held fund receipts and bank reconciliations.

The auditors tested locally held fund receipts across the 27 correctional centers and 4 Adult Transition Centers (ATCs) and noted four of 60 (7%) Trust Fund receipts tested, totaling $137,891, were deposited between 1 and 3 days late during Fiscal Years 2023 and 2024. This condition was noted at Danville, Sheridan, and Southwestern Correctional Centers.

They tested bank reconciliations across the 27 correctional centers, 4 ATCs, and Central Office and noted twelve of 316 (4%) bank reconciliations tested did not have all the required signatures of the preparer and/or the individuals responsible for approval and the dates of preparation and approval were not always indicated. These 12 bank reconciliations were missing 15 of 36 (42%) required signatures. These conditions were noted at Decatur Correctional Center, Fox Valley ATC, and at Central Office.

The Department's Administrative Directive (A.D.) (02.40.110) states cash accumulated in the amount of $1,000 or more on any business office working day shall be deposited no later than 12:00 a.m. the next working day.

Good internal controls require that monthly bank reconciliations be reviewed by the preparer's supervisor for accuracy and timely resolution of reconciling items. A.D. (02.40.104) states upon receipt of the bank statement for each checking account, the bank statement shall be reconciled with the General Ledger. The person completing the reconciliation and the Business Administrator shall sign the completed reconciliation documentation.

Department management stated the exceptions related to controls over locally held funds were due to employee oversight and error, staff shortages, and competing priorities.

It is important to properly maintain adequate controls over locally held funds as they are not subject to appropriation and are held outside the State Treasury. Untimely deposits may result in the loss of interest earnings and increased risk of inadvertent loss. Inadequate controls over locally held funds also deters sufficient oversight, monitoring, and management's ability to identify and take timely corrective action when needed.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department will make every effort to deposit locally held fund receipts on a timely basis. In addition, the Department will ensure that bank reconciliations are completed and reviewed timely.

UPDATED RESPONSE:

Partially Implemented at 50% with full implementation by June 30, 2026.

- Responsible for Implementation: Facility Business Administrators and Assistant Deputy Director Fiscal Accounting Compliance
- The Department will ensure that bank reconciliations are completed and reviewed timely.

19. The auditors recommend the Department strengthen its internal controls, including designating and maintaining sufficiently trained staff, over the custody, recording, and reporting of State property to ensure compliance with applicable laws, rules and regulations.

FINDING: *(Inadequate controls over State property) – This finding has been repeated since 2020.*

The Department of Corrections (Department) did not exercise adequate controls over State property.

Recording and reporting weaknesses were identified during their detailed testing of the Department's State property as follows:

- During their testing of the Agency Report of State Property (C-15) report reconciliation, the auditors noted additions, deletions, and transfers in Fiscal Year 2023 and Fiscal Year 2024 were not adequately reconciled with State property expenditures. The unreconciled differences as of the end of Fiscal Year 2023 and Fiscal Year 2024 totaled $217,939 and $152,791, respectively.

  The State Records Act (5 ILCS 160/8) requires the head of each agency to make and preserve records containing adequate and proper documentation of essential

transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

- The Department is required to submit an annual Certification of Inventory (Certification) to the Department of Central Management Services (CMS). The Department compiles data from each division or facility (35 in total) to complete the Certification. During Fiscal Year 2024, for one (3%) of 35 facilities, the Certification was overstated by 26 inventory items totaling $5,593.

  The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.460) requires agencies to provide CMS, on an annual basis, a listing of all equipment items with a value greater than the nominal value, and equipment that is subject to theft with a value less than the nominal value. According to the Code (44 Ill. Admin. Code 5010.105(d)), nominal value means the value of an item as defined in Section 6.02 of the State Property Control Act (30 ILCS 605/6.02), which is $1,000 (prior to December 2022) and $2,500 (effective January 2023).

  The State Property Control Act (30 ILCS 605/4) requires every responsible officer of State government to be accountable for the supervision, control, and inventory of all items under their jurisdiction.

- They requested the Department provide an equipment listing and populations of property additions and deletions during the examination period. In response to their request, the Department provided a population that did not reconcile to State property reports. Due to these conditions, they were unable to conclude the Department'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) to fully test the Department's compliance with requirements for State property.

Even given the population limitation noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, the auditors selected a sample of equipment items and identified exceptions as noted below.

- During their list to floor testing of 60 Department equipment items, they noted the following:

  - Three (5%) equipment items tested, totaling $23,354, could not be located.
  - Three (5%) equipment items tested, totaling $10,677, were not properly tagged.

- During their floor to list testing of 60 Department equipment items, the auditors noted the following:

    - Three (5%) equipment items of undetermined value were not tagged. Therefore, they were unable to determine if the equipment items were included in the Department's equipment listing. The items that were not tagged were an oven, griddle, and lawn mower.
    - Three (5%) equipment items of undetermined value were physically identified and tagged, but not included in the Department's equipment listing. The items that were not added to Department records were a mixer, hospital bed, and air compressor.

  The Code (44 Ill. Admin Code 5010.210) requires the Department to mark each piece of State-owned equipment in their possession with a unique six digit identification number. Furthermore, the Code (44 Ill. Admin. Code 5010.230) requires agencies to maintain records including identification number, location code number, description, date of purchase, purchase price, object code, and voucher number. Finally, the Code (44 Ill. Admin. Code 5010.620) requires all agencies to regularly survey their inventories for transferable equipment and report any such equipment to the Property Control Division of the CMS. The Code (44 Ill. Admin. Code 5010.600) defines transferable equipment as State-owned equipment which is no longer needed and/or useful to the agency currently in possession of it.

- During their testing of 60 additions of property, the auditors noted the following:

    - Twenty-two (37%) additions, totaling $1,728,506, were added to property records 2 days to over 6 years late. Some of the items that were not recorded timely include woodworking and computer equipment, a firearm, and a dental chair.
    - For four (7%) additions, totaling $127,840, the amount recorded in property records did not agree to supporting documentation, ranging from an overstatement of $270 to an understatement of $12,700.

- During testing of 60 deletions from property records, the auditors noted the following:

- Seven (12%) deletions, totaling $1,742,738, were removed from property records 38 to 977 days late. Items that were not removed in a timely manner were a dormitory, housing, gymnasium, and vehicles.
- For three (5%) deletions, totaling $14,730, did not have the date of physical transfer on the Request for Change of Status of Equipment (Form DOC 0013); therefore, they were unable to test timeliness of removal from property records.

The Code (44 Ill. Admin. Code 5010.320) requires agencies to adjust property records within 30 days of acquisition, change, or deletion of vehicles. The Code (44 Ill. Admin. Code 5010.400) requires the Department to adjust its property records within 90 days after acquisition, change, or deletion of equipment items. Finally, the Code (44 Ill. Admin. Code 5010.620) requires all agencies to regularly survey their inventories for transferable equipment and report any such equipment to the Property Control Division of the CMS. The Code (44 Ill. Admin. Code 5010.600) defines transferable equipment as State-owned equipment which is no longer needed and or useful to the agency currently in possession of it.

This finding was first noted during the Department's Fiscal Year 2020 State compliance examination, four years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The State Property Control Act (30 ILCS 605/4) requires every responsible officer of State government to be accountable for the supervision, control, and inventory of all items under their jurisdiction.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation, and that transfers of assets are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over the State's resources.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management indicated the exceptions were due to employee error, staff turnover, lack of training, competing priorities, staff shortages, and employee oversight. In addition, Department management indicated a number of property items were untimely recorded due to previously insufficient staffing to research and address old items that had never been added to inventory.

Failure to maintain adequate control over equipment and property, and inaccurate recording and reporting of property items increases the risk of equipment theft or loss occurring without detection and unreliable property reports.

DEPARTMENT RESPONSE:
- Recommendation accepted.
- The Department recognizes the importance of timely and accurate property transaction processing. The Department has consistently experienced turnover in the Property Unit, which hindered the ability to timely add property to the ERP system. However, these assets were being tracked manually and were included in the Department's financial reporting. During the examination period, the Department made a concerted effort to address the backlog of assets that needed to be added to the ERP system. However, this resulted in the assets being listed in the finding as being added to the property records in some cases years late.

UPDATED RESPONSE:
Partially Implemented
- Responsible for Implementation: Assistant Deputy Director of Fiscal Operations and Assistant Deputy Director Fiscal Accounting Compliance
- The Department recognizes the importance of timely and accurate property transaction processing. The Department is working to refine internal processes to verify the accuracy of property transactions. Due to the size of the Department and the volume of property transactions processed on a yearly basis, full implementation will be a challenge for the Department.

20. The auditors recommend the Department allocate sufficient staff, implement internal controls and sufficient oversight to timely report vehicle accidents, properly maintain State vehicles, and ensure forms are fully completed, dated, submitted, and retained for those employees who are personally assigned State vehicles and who use State vehicles for State business. The Department should also track and monitor personally assigned vehicles and related fringe benefits.

FINDING: *(Policies and procedures regarding operation of State vehicles not followed) – This finding has been repeated since 2000.*

The Department of Corrections (Department) demonstrated weaknesses in internal control over vehicle maintenance records, personal use of State vehicles, insurance certifications for both individually assigned vehicles and privately-owned vehicle used for State business, vehicle accidents, and accident reporting to the Department of Central Management Services (CMS).

This finding was first noted during the Department's Fiscal Year 2000 State compliance examination, twenty-four years ago. As such, Department management has been

unsuccessful in implementing a corrective action plan to remedy all deficiencies related to vehicles.

Based on their testing of the Department's controls over operations of automobiles, the auditors noted the following:

- **<u>Vehicle Maintenance Records</u>**
  During their testing of vehicle maintenance, the auditors noted the following exceptions:

  - Forty-two of 60 (70%) vehicles tested did not receive oil changes timely within the allotted mileage requirement ranging from 20 to 19,070 miles overdue.
  - Twenty-one of 60 (35%) vehicles tested did not have tire rotations performed for every other oil change.
  - Nineteen of 60 (32%) vehicles tested did not undergo an annual inspection in Fiscal Year 2023.
  - Thirteen of 60 (22%) vehicles tested did not undergo an annual inspection in Fiscal Year 2024.
  - One of 60 (2%) vehicles tested were missing information on inspections, oil changes, and tire rotations; therefore, they were unable to test compliance with maintenance requirements.
  - One of 60 (2%) vehicles tested did not have accurate mileage reported during Fiscal Year 2023.

  According to the Illinois Administrative Code (Code) (44 Ill. Admin. Code 5040.400), all state-owned or leased vehicles which fall under this Part shall undergo regular service and/or repair in order to maintain the vehicles in road worthy, safe, operating condition and appropriate cosmetic condition. Drivers should check oil, coolant, and battery water levels (if possible) regularly, such as at each refueling. The Code (44 Ill. Admin. Code 5040.410) states that agencies are to have vehicles inspected by CMS or an authorized vendor at least once per year and maintain vehicles in accordance with the schedules provided by CMS or with other schedules acceptable to CMS that provide for proper care and maintenance of special use vehicles. The CMS Vehicle Usage Program, effective July 1, 2012, requires agencies to follow prescribed maintenance intervals to keep fleet costs down.

  Department management stated the exceptions related to vehicle maintenance were due to competing priorities, and a lack of vehicles available to accommodate the furlough/writ schedule and to allow for removal of a vehicle from the schedule to perform the required vehicle maintenance.

- **<u>Annual Certification of License and Vehicle Liability Coverage</u>**

During their testing of 120 employees required to file the Annual Certification of License and Vehicle Liability Coverage, the auditors noted 15 (13%) certifications tested were missing from the employee's file.

The Illinois Vehicle Code (625 ILCS 5/7-601(c)) states every employee of a State agency, as that term is defined in the Illinois State Auditing Act, who is assigned a specific vehicle owned or leased by the State on an ongoing basis shall provide the certification described in this Section annually to the director or chief executive officer of his or her agency. The certification shall affirm that the employee is duly licensed to drive the assigned vehicle and that (i) the employee has liability insurance coverage extending to the employee when the assigned vehicle is used for other than official State business, or (ii) the employee has filed a bond with the Secretary of State as proof of financial responsibility, in an amount equal to, or in excess of the requirements stated within this Section. The certification must be provided during the period July 1 through July 31 of each calendar year, or within 30 days of any new assignment of a vehicle on an ongoing basis, whichever is later.

The Illinois Vehicle Code (625 ILCS 5/10-101) states every employee of the State, who operates for purposes of State business a vehicle not owned, leased or controlled by the State shall procure insurance in the limit of the amounts of liability not less than the amounts required in Section 7-203 of the Illinois Vehicle Code. The Department's Administrative Directive (A.D.) (02.37.101) states "Prior to authorization for use of a private vehicle, the employee shall complete and forward to the Agency Travel Coordinator, a Certification of License and Automobile Liability Coverage, DOC 0174, that certifies he or she possesses a valid driver's license and has the minimum required insurance or has filed a bond…" A.D. (01.02.106) requires an Annual Certification of License and Vehicle Liability Coverage, DOC 0068, to be completed initially and between July 1st and July 31st annually.

Department management stated the exceptions related to annual certifications were due to management oversight and unfamiliarity with the requirements of the administrative directive.

- **<u>Personal Use of a State Vehicle</u>**
  During their testing of 20 employees for personal use of State vehicles, the auditors noted the following exceptions:

  - The following required documents were missing from employee files:

    - Nine (45%) Annual Commute Mileage Certification forms.
    - Two (10%) Annual Individually Assigned Vehicle Tax Exemption Certification forms.
    - One (5%) Determination of Value for Individual Use of a State Vehicle forms.

- They were unable to test timeliness of submission of the following documents due to lack of a date received stamp:

  - Eight (40%) Annual Individually Assigned Vehicle Tax Exemption Certification forms.
  - One (5%) Annual Commute Mileage Certification form.

- For one (5%) employee tested, the Annual Commute Mileage Certifications form was missing the supervisor signature. Therefore, they are unable to determine if the form was properly approved.

- For the two (100%) employees entitled to fringe benefits, the Department did not provide supporting payroll vouchers to determine if they received the correct amount of fringe benefits. The value of fringe benefits per pay period ranged from $22.50 to $25.

The Internal Revenue Services' Employer's Tax Guide to Fringe Benefits (Publication 15- B) states that any commute that an individual makes with an assigned vehicle is considered a fringe benefit and is to be valued at $1.50 per one-way commute, or $3 per day. Fringe benefits are to be included in the employee's wages for tax purposes.

A.D. (01.02.106) states that upon assignment of a vehicle, the employee shall receive the Individually Assigned Vehicle Usage Packet, including instructions. The following forms shall be completed by the employee and submitted to the Statewide Vehicle Coordinator and copies shall be retained in the facility Business Office:

a) Annual Commute Mileage Certification, DOC 0349, to be completed initially and between July 1st and July 31st annually.
b) Annual Individually Assigned Vehicle Tax Exemption Certification, DOC 0348, to be completed initially and between December 1st and December 31st annually.
c) Annual Certification of License and Vehicle Liability Coverage, DOC 0068, to be completed initially and between July 1st and July 31st annually.
d) Determination of Value for Individual Use of a State Vehicle, DOC 0346, to be completed initially and between December 1st and December 31st annually.

Department management stated the exceptions related to the personal use of State vehicles were due to management and employee oversight.

- **<u>Reporting of Vehicle Accidents</u>**
  During their testing of 47 vehicle accident reports, the auditors noted the following:

- Eleven (23%) Motorist's Report of Illinois Motor Vehicle Accident Forms (SR-1 Form) and Uniform Cover Letters were submitted more than 7 days from the day of the accident, ranging from 8 to 29 days late.
- One (2%) SR-1 Form requested in their sample was not provided; therefore, they were unable to test compliance.

According to the Code (44 Ill. Admin. Code 5040.520), a driver of a state-owned or leased vehicle which is involved in an accident of any type is to report the accident to the appropriate law enforcement agency and to the CMS Auto Liability Unit, and if a State agency owns the vehicle, to that agency by completing the SR-1 Form. The SR-1 Form is to be completed, as nearly as possible, in its entirety including a clear description of the accident and the conditions surrounding the accident. The report is required to be completed within three days and must be received by CMS within 7 calendar days following an accident. If the State driver is incapable of completing the report because of death or disability, the driver's supervisor should complete the form.

The CMS Policy for Auto Liability Coordinator Basic Duties states the completion of the Uniform Cover Letter is vital to proceed with the adjustment process.

A.D. (02.75.149) further states that accidents involving any vehicle operated in the conduct of State business are to be promptly reported regardless of the lack of injury or property damage. A.D. (02.75.149) also states that the Vehicle Accident Coordinator is to submit appropriate reports to CMS within 7 calendar days following the accident.

Department management stated the exceptions related to vehicle accidents were due to conflicting priorities, reliance on outside parties to provide information to the unit, and staffing shortages within the vehicle unit.

The State Records Act (5 ILCS 160/8) requires the Agency to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Good business practice dictates that vehicles should be maintained to prevent excessive repair costs in the future. Failure to adequately maintain vehicles can cost the State significant amounts in future years through additional repair bills and shortened useful lives for vehicles. Untimely submission or failure to maintain and track submission of the forms for vehicle accidents or for individually assigned vehicle usage may result in increased risk of loss or failure to report an employee's taxable vehicle usage income. Lastly, failure to identify and track all personally assigned State vehicles increases the

risk the Department will fail to monitor and ensure compliance with applicable requirements and may subject the Department to litigation or loss.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department will strive to ensure timely processing of vehicle accidents and the proper maintenance of the state vehicle fleet. With the current size of the Department's fleet vehicles are in use frequently which impacts the Department's ability to complete routine maintenance. New vehicles are difficult to procure due to availability issues at the outside vendor. The Department understands the importance of proper personally assigned vehicle reporting and has worked to improve internal controls related to this reporting process.

UPDATED RESPONSE:
Partially Implemented

- Responsible for Implementation: Assistant Deputy Director Fiscal Operations
- The Department will strive to ensure timely processing of vehicle accidents and the proper maintenance of the state vehicle fleet. With the current size of the Department's fleet, vehicles are in use frequently which impacts the Department's ability to complete routine maintenance and the timeline for full implementation. New vehicles are difficult to procure due to availability issues at the outside vendor. The Department understands the importance of proper personally assigned vehicle reporting and has worked to improve internal controls related to this reporting process.

21. The auditors recommend the Department comply with the requirements of the Act. Specifically, the Department should ensure timely notification, proper completion, and maintenance of the Murderer and Violent Offender Against Youth Registration Act Notification Form and review records to ensure accuracy.

FINDING: *(Noncompliance with the Murderer and Violent Offender Against Youth Registration Act) – This finding has been repeated since 2016.*

The Department of Corrections (Department) did not properly document compliance with the notification requirements of the Murderer and Violent Offender Against Youth Registration Act (Act).

During the testing of five correctional centers, the auditors noted the following:

- Two of 60 (3%) individuals in custody selected for testing were incorrectly classified in the Offender 360 system as to their status as Violence against Youth Offender. This was noted at Lincoln and Sheridan Correctional Centers. As a result, auditors were unable to determine the completeness, accuracy, and reliability of the Centers' population of Murderer and Violent Offenders Against Youth released from the facility during the examination period under Attestation

Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36).

- Despite the population limitations noted above which hindered the ability to conclude whether a sample selected could be representative of the population, the auditors performed testing where possible and noted Lincoln and Stateville Correctional Centers were unable to provide documentation of the Murderer and Violent Offender Against Youth Registration Act notification forms for 2 of 60 (3%) individuals in custody selected for testing.

This finding was first noted during the Department's Fiscal Year 2016 State compliance examination, eight years ago. As such, Department management not implemented sufficient corrective actions to fully remedy these deficiencies.

The Act (730 ILCS 154/15) requires that any violent offender against youth who is discharged, paroled, or released from a Department of Corrections Facility, a facility where such person was placed by the Department of Corrections or another penal institution, and whose liability for registration has not terminated under Section 40 shall, prior to discharge, parole or release from the facility or institution, be informed of his or her duty to register in person within five days of release by the facility or institution in which he or she is confined. The Act states the facility shall require the person to read and sign such form as may be required by the Illinois State Police stating that the duty to register and the procedure for registration has been explained to him or her and that he or she understands the duty to register and the procedure for registration. The Act requires the facility to give one copy of the form to the person, each law enforcement agency with jurisdiction where the person expects to reside, work, or attend school upon his or her discharge, parole or release and retain one copy for files.

The State Records Act (5 ILCS 160/8) requires the Center to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Center designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Center's activities. The Fiscal Control and Internal Auditing Act (30 ILCS 10/1002) states it is the policy of the State that agencies are responsible for effectively and efficiently managing the agency and establishing and maintaining an effective system of internal control.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.
Department management indicated these issues were caused by oversight and employee error. Failure to properly complete and maintain notification forms and to accurately track offenders required to register increases the risk that released offenders may not register as violent offenders against youth and that community schools, childcare facilities, and libraries will not be notified.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department will strive to obtain the Illinois Murderer and Violent Offender Against Youth Registration Act Notification Form (ISP 5-750) on every released individual who has a duty to register under the Act.

UPDATED RESPONSE:

Partially Implemented at 50%

- Responsible for Implementation: Facility Field Services Representatives
- The Department will strive to obtain the Illinois Murderer and Violent Offender Against Youth Registration Act Notification Form (ISP 5-750) on every released individual who has a duty to register under the Act. A ticket has been submitted to the Department of Innovation and Technology to request the programming necessary for the Department to produce an accurate population of individuals to which the Act applies. Until this programming is complete, full implementation is not possible.

22. The auditors recommend the Department strengthen internal controls to ensure timely preparation and maintenance of documentation of educational records as required by statute and Administrative Directive.

FINDING: *(Failure to comply with Administrative Directives regarding the maintenance of educational records) – This finding has been repeated since 2016.*

The Department of Corrections (Department) did not comply with Administrative Directives regarding the maintenance of educational records.

During their testing of educational files at five correctional centers, the auditors noted 10 of 60 (17%) individual in custody educational files selected for testing did not contain documentation of either the Educational Release of Information form or the Vocational Program Waiver of Liability and Hold Harmless Agreement, as applicable. This noncompliance was noted at two of five (40%) correctional centers (Danville and Stateville).

This finding was first noted during the Department's Fiscal Year 2016 State compliance examination, eight years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The Department's Administrative Directive (04.10.118), established pursuant to the Unified Code of Corrections (730 ILCS 5/3-6-2), requires the Center to establish an educational file for all individuals in custody subject to educational testing and all students. Each educational file for all students must include an Educational Release of Information form. Each educational file for vocational students must include a Vocational Program Waiver of Liability and Hold Harmless Agreement. The State Records Act (5 ILCS 160/8) requires the Center to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions

of the Center designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Center's activities.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination. Department management indicated the exceptions were due to employee turnover and inadequate training. Failure to prepare and maintain required educational records reduces the information available to make individual and programmatic recommendations and decisions and may expose the Department to liability.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department staff will make every effort to obtain the required educational forms for each student as required.

UPDATED RESPONSE:
Implemented.

- Responsible for Implementation: Education Facility Administrator (EFA), PSA 8T
- Direction has been provided verbally and in written form and through Administrative Directive reviews. Facility audits are being conducted to spot check the student files by the regional coordinators on the site visits.

23. The auditors recommend the Department establish internal controls to ensure they offer registration application forms in all available languages to individuals eligible to vote upon release on parole, mandatory release, final discharge, or pardon.

FINDING: *(Failure to provide voter registration forms in all available languages) - New*

The Department of Corrections (Department) failed to provide voter registration forms in all languages provided by the Illinois State Board of Elections (Board).

Although the Board offered voter registration application forms in English and Spanish, during Fiscal Years 2023 and 2024, the Department only offered voter registration application forms in English to individuals eligible to vote on parole, mandatory release, final discharge, or pardon.

The Unified Code of Corrections (Code) (730 ILCS 5/3-14-1(a-3)) states upon release of a person who is eligible to vote on parole, mandatory release, final discharge, or pardon, the Department shall provide the person with a form that informs him or her that his or her voting rights have been restored and a voter registration application. The Code mandates the Department to have available voter registration applications in the languages provided by the Board.

Department management stated they were unaware that the voter registration forms were available in other languages from the Board.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/1002) states that every State agency is responsible for establishing and maintaining an effective system of internal control. Good internal controls would require the Department to be aware of applicable laws and to take appropriate measures to ensure compliance with such laws.

Failure to provide voter registration application forms in all available languages may hinder the ability for individuals on parole, mandatory release, final discharge, or pardon to vote and results in a failure to perform a mandatory duty.

DEPARTMENT RESPONSE:

- Recommendation implemented.
- The Department has implemented including the voter registration forms in both English and Spanish in the Re-Entry Resource Rooms.

UPDATED RESPONSE:

Implemented.

- Responsible for Implementation: Facility Re-entry Specialists
- The Department has implemented including the voter registration forms in both English and Spanish in the Re-Entry Resource Rooms.

24. The auditors recommend the Department allocate necessary resources in order to develop a firearm purchase program as required by the Code.

FINDING: *(Failure to establish firearm purchase program) – New*

The Department of Corrections (Department) failed to establish a firearm purchase program as required by the Unified Code of Corrections (Code).

During Fiscal Year 2023 and Fiscal Year 2024, the Department failed to establish a program to allow a security employee or parole agent of the Department who is honorably retiring in good standing to purchase a service firearm.

The Code (730 ILCS 5/3-2-10.5) states the Director shall establish a program to allow a security employee or parole agent of the Department who is honorably retiring in good standing to purchase, if the security employee or parole agent has a currently valid Firearm Owner's Identification Card, the service firearm issued or previously issued to the security employee or parole agent by the Department. This mandate became effective May 6, 2022.

Department management indicated they were aware of this mandate, but had not created a formal program to comply with the Code due to competing priorities.

Failure to establish a firearm purchase program results in noncompliance with the Code and hinders the ability for retired security employees and parole agents to purchase their firearm as required by law.

<u>DEPARTMENT RESPONSE:</u>

- Recommendation not accepted.
- 730 ILCS 5/3-2-10.5 states: The Director shall establish a program to allow a security employee or parole agent of the Department who is honorably retiring in good standing to purchase either one or both of the following: 1) any badge previously issued to the security employee or parole agent by the Department; or 2) if the security employee or parole agent has a currently valid Firearm Owner's Identification Card, the service firearm issued or previously issued to the security employee or parole agent.
- Administrative Directive 01.02.104 – Identification of Employees, Official Visitors, and Workers Section II.G.11. states: If an employee retires from the Department in good standing with 20 or more years of services in a security title or retires from the Department with 20 or more years of service and retires from a title in which a badge was issued, the retiring employee or the Employee Benefit Fund of the site where the employee last served by purchase a retiree badge.
- Therefore, the Department is in compliance with the mandate by allowing the purchase of a badge by a retiring employee.

<u>ACCOUNTANT'S COMMENT</u>:

The Code clearly requires establishment of a program to allow honorably retired employees and parole agents in good standing to purchase <u>either one or both</u> of their badge or service firearm. The Department's program only allows purchase of a retiree's badge, not their service firearm; therefore, the Department has not fully complied with the mandate.

Furthermore, Department officials repeatedly stated and indicated during compliance testing, in response to the exception and potential audit finding that the Department was aware of the mandate, but was not in compliance with the Code's firearm purchase provision and that the program required by this statutory mandate had not been developed. Management did not provide any support that their current interpretation of this mandate had been prepared during the examination period, nor evidence that sufficient actions were taken during Fiscal Years 2023 or 2024 to ensure the Department's compliance and implementation of internal controls to do so.

<u>UPDATED RESPONSE:</u>

Not accepted.

- 730 ILCS 5/3-2-10.5 states: The Director shall establish a program to allow a security employee or parole agent of the Department who is honorably retiring in good standing to purchase either one or both of the following: 1) any badge previously issued to the security employee or parole agent by the Department; or 2) if the security employee or parole agent has a currently valid Firearm Owner's Identification Card, the service firearm issued or previously issued to the security employee or parole agent.
- Administrative Directive 01.02.104 – Identification of Employees, Official Visitors, and Workers Section II.G.11. states: If an employee retires from the Department in good standing with 20 or more years of services in a security title or retires from the

Department with 20 or more years of service and retires from a title in which a badge was issued, the retiring employee or the Employee Benefit Fund of the site where the employee last served by purchase a retiree badge.

- Therefore, the Department is in compliance with the mandate by allowing the purchase of a badge by a retiring employee.

25. The auditors recommend the Department allocate necessary resources to ensure their records capture the necessary information for one-on-one care. Further, they recommend the Department coordinate with the Board to report required information for the Medical Release Program. They recommend the Department seek statutory change if they believe the mandate is not feasible or contradictory to federal HIPAA law.

FINDING: *(Incomplete reporting of the Medical Release Program) - New*

The Department of Corrections (Department) failed to properly report all required information related to the Medical Release Program.

During their testing of the Annual Medical Release Program Reports reported in Fiscal Year 2023 and 2024, the auditors noted the Department failed to report on 2 of 11 (18%) requirements in both years:

- The total number of people currently receiving full-time one-on-one medical care or assistance with activities of daily living within Department of Corrections facilities and whether that care is provided by a medical practitioner or inmate, along with the institutions at which they are incarcerated.

- A basic description of the underlying medical condition of the applying persons approved for medical release who experienced more than a one-month delay between release decision and ultimate release. This affected four and five applicants required to be reported in Fiscal Years 2023 and 2024, respectively.

The Unified Code of Corrections (Code) (730 ILCS 5/3-3-14(k)) states the Department and Prisoner Review Board (Board) shall release a report annually published on its website that reports information about the Medical Release Program. The Code states the information reported shall include the number of people currently receiving full-time one-on-one medical care or assistance with activities of daily living within Department of Corrections facilities and whether that care is provided by a medical practitioner or an inmate, along with the institutions at which they are incarcerated; and a basic description of the underlying medical condition that led to the application for people approved for medical release who experienced more than a one-month delay between release decision and ultimate release.

Department management stated their healthcare tracking system did not capture all information for reporting. Department management also indicated they didn't report, in the aggregate, the underlying medical condition for medical releases delayed over 30 days due to the potential for violations of the federal Health Insurance Portability and Accountability Act (HIPAA).

Failure to gather and properly report required information related to the Medical Release Program reduces accountability and the effectiveness of governmental oversight.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department is seeking legislative change to address the requirements listed in the finding.

UPDATED RESPONSE:

Partially Implemented.

- The Department has revised its internal procedures related to the Joe Coleman Release Act and data collection.

26. The auditors recommend the Department strengthen internal controls to report accurate information and maintain supporting documentation of data submitted for the Public Accountability Report.

FINDING: *(Inadequate controls over the Public Accountability Report) – This finding has been repeated since 2022.*

The Department of Corrections (Department) failed to maintain support for and ensure accurate reporting of all data in the Public Accountability Report submitted in Fiscal Year 2023 and Fiscal Year 2024.

During their testing of the Public Accountability Report due in Fiscal Year 2023 and Fiscal Year 2024, the auditors noted the following exceptions:

Fiscal Year 2023

- The Department failed to provide supporting documentation for 13 (62%) of 21 reporting measurements, as follows:
  - Average number of contraband confiscations per month
  - Average number of assaults per month by individuals in custody on staff
  - Average number of assaults per month between individuals in custody
  - Number of individuals in custody eligible for Adult Basic Education (ABE) and Adult Secondary Education (ASE) (formerly GED) educational programming
  - Number of serious assaults to individuals in custody
  - Number of ABE/ASE (formerly GED) participants

    - Number of individuals in custody on Global Positioning System (GPS) monitoring
    - Number of individuals placed in community housing
    - Number of individuals in custody receiving substance abuse treatment
    - Percentage of participants completing ABE/ASE programming
    - Percentage of individuals whose placement lasts beyond 60 days
    - Number of individuals in custody completing vocational programming
    - Average number of parolee monitors in use
    - Average number of parolees assigned per parole agent

  As a result, they were unable to test the accuracy of the data reported by the Department.

- In addition, in Fiscal Year 2023, the Department underreported the average monthly full-time equivalent employees by 177 for the prior fiscal year. The Department should have reported 11,862 full-time equivalent employees.

<u>Fiscal Year 2024</u>

- The Department failed to provide supporting documentation for 4 (19%) of the 21 reporting measurements, as follows:
    - Number of individuals in custody receiving substance abuse treatment
    - Percentage of individuals whose placement lasts beyond 60 days
    - Average number of parolee monitors in use
    - Average number of parolees assigned per parole agent

  As a result, they were unable to test the accuracy of the data reported by the Department.

- In addition, the Department underreported the number of individuals in custody on GPS monitoring and the number of individuals in custody completing vocational programming by 107 of 1,619 (7%) and 72 of 2,073 (3%), respectively.

The State Records Act (5 ILCS 160/8) requires each agency head to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency.

The Statewide Accounting Management System (SAMS) Manual (Procedure 33.20.20) provides reporting instructions for the Public Accountability Report. The SAMS Manual states agencies should be able to substantiate their reports by maintaining adequate and appropriate documentation to support their mission statements, goals, objectives, and performance measures. SAMS states that this would include such elements as statutory or other authoritative sources for programs, mission statements, goals and objectives,

definitions of performance indicators and data, the data collection and reporting process, the data storage and retrieval environment, etc.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to maintain accountability over the State's resources.

Additionally, the State Budget Law (15 ILCS 20/50-15) requires the Department to submit an annual accountability report to the Governor's Office of Management and Budget (Office). Each accountability report shall measure the Department's performance based on criteria, goals, and objectives established by the Department with the oversight and assistance of the Office.

Department management stated the missing support and differences between reported data and agency records were due to employee error and the preparing employee's departure from the agency.

Failure to accurately report performance reporting measurements reduces the effectiveness of governmental oversight and may hinder the Office's ability to monitor the Department's performance.

DEPARTMENT RESPONSE:
- Recommendation accepted.
- The Department continues to utilize various methods to ensure the information contained within the Public Accountability Report is accurate. Much of the information involves numbers pulled from the mainframe via scripts or involved calculations. The documentation to support the amounts was not retained.

UPDATED RESPONSE:
Partially Implemented at 50% with full implementation by December 31, 2025.
- Responsible for Implementation: Budget Manager
- The Department continues to utilize various methods to ensure the information contained within the Public Accountability Report is accurate. Much of the information involves numbers pulled from the mainframe via scripts or involved calculations.

27. The auditors recommend the Department provide sufficient and necessary trainings to correctional officers that have direct contact with pregnant committed persons.

FINDING: *(Failure to provide training to officers with direct contact with pregnant committed persons) – New*

The Department of Corrections (Department) failed to provide required training to officers with direct contact with pregnant committed persons.

During their testing of correctional officers that have direct contact with pregnant committed persons, the auditors noted 4 of 30 (13%) correctional officers tested in Fiscal Year 2023 and 3 of 30 (10%) correctional officers tested in Fiscal Year 2024, were not provided training related to medical and mental health care issues applicable to pregnant committed persons.

The Uniform Code of Corrections (730 ILCS 5/3-6-7.1) states the Department shall provide training relating to medical and mental health care issues applicable to pregnant committed persons to: (1) each correctional officer employed by the Department at a correctional institution or facility in which female committed persons are confined; and (2) any other Department employee whose duties involve contact with pregnant committed persons. The training must include information regarding: (1) appropriate care for pregnant committed persons; and (2) the impact on a pregnant committed person and the committed person's unborn child of: (A) the use of restraints; (B) placement in administrative segregation; and (C) invasive searches.

Department management stated staffing levels did not allow for the employees to attend all of the required cycle training days.

Failure to provide adequate training to officers who are in direct contact with pregnant committed persons could result in the employees not receiving important information and negative impacts to both the committed person and unborn child.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department has resource computers in the centers for those without access to a computer during their regular duties so that they can complete their required training during work hours. Due to short staffing in the centers, staff are unable in some instances to be relieved of regular duties to complete required training. The Department has implemented a Northern and Southern region training academy for new correctional officer staff to complete the initial training, such that there are currently three academies in place. The Department also has a system whereby a staff person who has not obtained the required training is given a corrective action plan to ensure they are compliant. If they still do not meet the training requirements, they are issued disciplinary tickets.

UPDATED RESPONSE:

Partially implemented at 75% with anticipated completion date of June 30, 2026.

- Responsible for Implementation: Manager of Staff Development and Training
- The Department has resource computers in the Centers for those without access to a computer during their regular duties so that they can complete their required training during work hours. The Department also has a system whereby a staff person who has not obtained the required training is given a corrective action plan to ensure they are compliant. If they still do not meet the training requirements, they are issued

disciplinary tickets. In addition, the Manager of Staff Development and Training has begun to review training reports by facility and discussing compliance with training requirements with the Warden and Training Coordinator of each facility.

28. The auditors recommend the Department work to begin compiling and reporting required information or seek legislative remedy.

FINDING: *(Failure to report data on the usage of electronic and GPS monitoring) – This has been repeated since 2022.*

The Department of Corrections (Department) failed to comply with Global Positioning System (GPS) reporting requirements of the Illinois Crime Reduction Act of 2009 (Act).

In Fiscal Years 2023 and 2024, the Department did not compile necessary data to publish annual reports on the usage of electronic monitoring and GPS monitoring as a condition of parole and mandatory supervised release.

The Act (730 ILCS 190/10(f)) states the Department of Corrections and the Prisoner Review Board shall release a report annually published on their websites that reports specified information about the usage of electronic monitoring and GPS monitoring as a condition of parole and mandatory supervised release during the prior calendar year.

Department management stated the Department was unable to publish the required reports during the examination period because this is a complicated, unfunded mandate. Management further stated the data cannot be manually manipulated; therefore, extensive computer reprogramming is required for the Department to be able to comply with the reporting requirement. Management stated they lack the funds to complete the necessary reprogramming.

Failure to compile and publicly report required data reduces public accountability.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department has not been able to comply with this mandate because the tracking system of record does not contain fields to capture the mandated information. The Department has not been provided enough funding to complete the necessary computer programming to capture the data. Therefore, the Department is seeking legislative remedy.

UPDATED RESPONSE:
Under Study

- The Department has not been able to comply with this mandate because the tracking system of record does not contain fields to capture the mandated information. The Department has not been provided enough funding to complete the necessary

computer programming to capture the data. Therefore, the Department is seeking legislative remedy.

29. The auditors recommend the Department establish a written fraud prevention, deterrence, and detection program. This program should include evaluating whether appropriate internal controls have been implemented in any areas identified as posing a higher risk of fraudulent activity, as well as controls over the financial reporting process.

FINDING: *(Failure to develop a formal fraud risk assessment program) – This finding has been repeated since 2012.*

The Department of Corrections (Department) did not have a formal fraud risk assessment program in place during the audit period.

The Department relied on administrative and internal controls to minimize the risk of fraud occurring but had not completed an analysis of the process to ensure a written fraud risk assessment was in place.

This finding was first noted during the Department's Fiscal Year 2012 State compliance examination, twelve years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) states "All State agencies shall establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that: (1) resources are utilized efficiently, effectively, and in compliance with applicable law; (2) obligations and costs are in compliance with applicable law; (3) funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation…" Additionally, it is management's responsibility to prevent and detect fraud. Therefore, the Department should implement a formal policy regarding the evaluation of fraud risk and a system of controls to help prevent and detect potentially fraudulent activity within its organization. Preparing a written policy will serve to document the Department's awareness and responsibility for fraud prevention and detection, as well as specific activities necessary to identify and address specific fraud risk factors.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management stated they had not completed the process of drafting Administrative Directives to fully implement a fraud risk assessment program due to competing priorities.

Without a written and formal program to identify and address the specific risks associated with fraud, fraudulent activities may go undetected and could result in misstatements in its financial reporting to the State or misappropriation of Department assets.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department is in the process of implementing a formal fraud risk policy and risk assessment.

UPDATED RESPONSE:

Partially Implemented at 25% with anticipated implementation by June 30, 2026.

- Responsible for Implementation: Chief Administrative Officer
- The Department is in the process of implementing a formal fraud risk policy and risk assessment.

30. The auditors recommend the Department ensure all Centers have sufficient internal controls in place to timely identify and, when required, transfer dormant account balances for released and transferred individuals. Also, they recommend the Department properly transfer dormant accounts to the GRF without offsetting or netting Resident Trust Fund accounts with positive cash balances against accounts with negative balances. They further recommend the Department prepare and maintain documentation to support dormant account transfers made.

FINDING: *(Failure to properly transfer inmate cash account balances) – This finding has been repeated since 2010.*

The Department of Corrections (Department) did not properly review and transfer dormant individual in custody Trust Fund account balances to the General Revenue Fund (GRF) as required by the Unified Code of Corrections (Code).

During their testing at five correctional centers, auditors noted the following:

- Four (80%) centers (Stateville, Danville, Lincoln, and Sheridan) did not perform a second review of dormant account balances at any time during Fiscal Year 2023.
- One (20%) center (Lincoln) did not perform a first or second review of dormant account balances during Fiscal Year 2024.
- They tested 15 dormant account transfers completed during the examination period and noted the following:
  - For one (7%) dormant account transfer, Stateville Correctional Center transferred $2,403 in total of Trust Fund dormant accounts that should have totaled $2,423. The $20 difference was due to offsetting or netting the total amount required to be transferred from unclaimed dormant accounts with positive cash balances against other Trust Fund dormant accounts which had negative balances.

- For one (7%) dormant account transfer, Sheridan Correctional Center was unable to provide documentation to support the dormant account transfer made during Fiscal Year 2024, totaling $1,603.

This finding was first noted during the Department's Fiscal Year 2010 State compliance examination, fourteen years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The Code (730 ILCS 5/3-4-3(a)) requires the Department to establish accounting records with individual accounts for each individual in custody. In addition, the Code (730 ILCS 5/3-4-3(b)) requires any money held in accounts of an individual in custody upon release from the Department by death, discharge, or unauthorized absence and unclaimed for a period of one year thereafter by the person or his legal representative be transmitted to the State Treasurer who shall deposit it into the GRF.

The Department's Administrative Directive (02.42.106) states at least twice yearly, all trust fund accounts of individuals in custody shall be reviewed by the Business Administrator to identify the accounts of individuals who have been released or discharged or who are on escape status which have been inactive for a period of one year (dormant). Upon determination of dormant accounts, the Business Administrator shall prepare a list which includes the account numbers, individuals' names, identification numbers and account balances and a memorandum requesting permission to transfer the balances to the GRF.

The State Records Act (5 ILCS 160/8) requires each agency head to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency.
Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management indicated these issues were caused by employee oversight and low staffing.

Failure to review dormant account balances results in delays in transferring funds to the GRF. Offsetting negative account balances against other accounts in the Resident's Trust Fund prior to being transferred to the GRF would result in an understatement of appropriate balances to be transferred as required by the Code. Failure to maintain required documentation hinders the Center's ability to demonstrate compliance with State law.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department will make every effort to ensure that dormant account balances are reviewed and payments to the General Revenue Fund are processed accurately.

UPDATED RESPONSE:

Partially Implemented at 50% with full implementation anticipated June 30, 2026.

- Responsible for Implementation: Facility Business Administrators
- The Department will make every effort to ensure that dormant account balances are reviewed and payments to the General Revenue Fund are processed accurately.

31. The auditors recommend the Department allocate necessary resources in order to collect the additional service fees for the domestic violence surveillance program as required by the Code or seek legislative remedy.

FINDING: *(Failure to collect fees for the domestic violence surveillance program) - New*

The Department of Corrections (Department) failed to collect service fees for the domestic violence surveillance program.

During Fiscal Year 2023 and 2024, the Department did not collect the additional service provider fees to cover the costs of providing equipment used and the additional supervision needed for the domestic violence surveillance program.

The Illinois Code of Corrections (Code) (730 ILCS 5/5-9-1.16(c)) states the supervising authority of a domestic violence surveillance program shall assess a person either convicted of, or charged with, the violation of an order of protection an additional service provider fee to cover the costs of providing the equipment used and the additional supervision needed for such domestic violence surveillance program. When the supervising authority is the Department, the Code requires the Department to collect the fee for deposit into the Department Reimbursement and Education Fund.

Department management stated that based on a pilot fee collection process for electronic detention inmates in 2009, the Department determined that the collection of fees for electronic monitoring was an ineffective initiative due to the subjective nature of assessing the ability to pay. Management stated the pool of those who were able to pay was extremely limited, and the expenses associated with fee collection and training exceeded the amount that could be collected. The Department did not explain why they had not pursued a legislative remedy during Fiscal Year 2024.

Failure to collect service fees for the domestic violence surveillance program hinders the ability of the Department to recover the costs of equipment used and additional supervision needed.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department complies with 730 ILCS 5/5-8A-7 by ensuring that individuals with a conviction for violation of an order of protection are placed on electronic surveillance. However, the Department does not charge a fee for the electronic surveillance. The Department will seek legislative remedy to eliminate this requirement.

<u>UPDATED RESPONSE:</u>
Under Study.

- The Department does not have a domestic violence program. The statute was originally written to address the needs of county probation programs to assist with the added expense. The Department will seek legislative remedy to eliminate this requirement.

32. The auditors recommend Department staff periodically visit people with disabilities who have received service dogs as required by the Code or seek legislative remedy.

<u>FINDING:</u> *(Failure to ensure people with disabilities who have received service dogs were periodically visited) – New*

The Department of Corrections (Department) did not adequately monitor program effectiveness in meeting the needs of people with disabilities who have received service dogs under the Helping Paws Service Dog Program.

Under the Helping Paws Service Dog Program, the Department trains committed persons to be service dog trainers and animal care professionals. This program is held at Logan Correctional Center. The Helping Paws Service Dog Program employs approximately 40 individuals in custody and graduates an average of 17 service dogs per year, with 36 individuals in custody employed and 22 service dogs graduated in Fiscal Year 2024.

The Department maintains a memorandum of understanding with two non-profit organizations to help administer the Helping Paws Service Dog Program. Based on the memorandums of understanding, the non-profit organizations are responsible for providing an adequate review of each dog's progress.

During their testing, they noted the Department did not ensure all persons with disabilities who have received service dogs from the Department were periodically visited to determine whether the needs of the persons with disabilities or veterans with post-traumatic stress disorder (PTSD) or depression have been met by the service dogs trained by committed persons.

The Unified Code of Corrections (Code) (730 ILCS 5/3-12-16(g)) requires employees of the Department to periodically visit people with disabilities who have received service dogs from the Department under this Section to determine whether the needs of the persons with disabilities or veterans with PTSD or depression have been met by the service dogs trained by committed persons.

Department management stated the non-profit organization remains in contact with the individual receiving the animal. In addition, Department management stated they do not have sufficient staff to visit private citizens.

Failure for the Department to periodically visit persons who received service dogs as required by the Code reduces the Department's monitoring of effectiveness and hinders the Department's ability to take informed measures to further improve program objectives.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department has added the duty to visit with people with disabilities who have received a service dog from the Helping Paws Service Dog Program to the job description of the Superintendent and Supervisor of the program. In addition, the Department management plans to explore ways for the visit requirement to be met.

UPDATED RESPONSE:

Partially Implemented at 25% with anticipated completion of June 30, 2026

- Responsible for Implementation: Warehouse Trucking Manager and Corrections Inventory Supervisor
- The Department has added the duty to visit with people with disabilities who have received a service dog from the Helping Paws Service Dog Program to the job description of the Warehouse Trucking Manager and Corrections Inventory Supervisor positions. In addition, the Department is in the process of organizing an event in early December 2025 for recipients of service dogs to visit with trainers where Department staff can inquire if the animal is meeting their needs. The Department is also preparing a form to notate what type of visit was conducted, date, and staff member conducting the visit.

33. The auditors recommend the Department remind staff to timely prepare and adequately maintain supporting documents for inspections. They further recommend the Department monitor monthly inspection reports to ensure Centers timely prepare, submit, and address violations reported in inspections to ensure compliance with applicable laws, rules and regulations regarding safety and sanitation.

FINDING: *(Noncompliance with standards for safety and sanitation inspections and enforcement) – This finding has been repeated since 2020.*

The Department of Corrections (Department) did not comply with standards for safety and sanitation inspections and enforcement.

The auditors tested 60 Medical Inspectors' monthly reports at five correctional centers and noted the following exceptions at Dixon and Lincoln Correctional Centers:

- Seven (12%) monthly medical inspection reports for all areas were not submitted to the Safety and Sanitation Coordinator by the 25th day of the month. These reports were submitted between 4 and 386 calendar days late.

- Four (7%) monthly inspection reports of all housing units and dietary areas sampled were not provided. Therefore, they could not determine if these reports were properly completed and submitted timely.

This finding was first noted during the Department's Fiscal Year 2020 State compliance examination, four years ago. Department management has partially implemented a corrective action plan; however, exceptions persist.

The Department's Administrative Directive (A.D.) (05.02.140) requires monthly inspection reports of the health care unit and any satellite care areas be submitted to the Safety and Sanitation Coordinator by the 25th calendar day of each month. The A.D. requires the monthly inspection report to cite safety and sanitation deficiencies noted during inspections and shall include recommendations for corrective action.

The Unified Code of Corrections (730 ILCS 5/3-7-3) requires standards of sanitation and safety for all institutions and facilities to be established and enforced by the Department.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management indicated these issues were caused by oversight and short staffing.

Failure to properly complete and timely submit all inspection reports may delay the receipt of information and the timeliness of corrective actions on any safety and sanitation deficiencies noted. Failure to maintain adequate documentation substantiating the performance of inspections and initiation of corrective actions hinders the Center's ability to demonstrate compliance with safety and sanitation standards pursuant to the Department's A.D. and State laws.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department plans to revise the Administrative Directive related to safety and sanitation inspections to clarify the due dates. The Department will ensure the safety and sanitation reports are completed and submitted timely.

UPDATED RESPONSE:

Implemented

- Responsible for Implementation: Facility Safety and Sanitation Coordinators

- The Department substantially revised A.D. 05.02.140 on January 1, 2025. The updated A.D. was sent out Department-wide. Health and Safety was also covered in the Warden's meeting January 2025. The Chief Administrative Officers (CAOs) of each facility are to ensure reports are submitted timely. The CAOs are to review the reports to ensure the information submitted is accurate.

34. The auditors recommend the Department strengthen internal controls to ensure complete, accurate, and detailed records of persons convicted of sexually violent offenses and their anticipated release dates are properly maintained.

FINDING: *(Inadequate controls over population of individuals in custody convicted of a sexually violent offense) - New*

The Department of Corrections (Department) did not adequately identify and provide an accurate listing of individuals in custody that were convicted of a sexually violent offense.

The Sexually Violent Persons Commitment Act (Act) (725 ILCS 207/9) requires the Department, not later than 6 months prior to the anticipated release from imprisonment or the anticipated entry into mandatory supervised release (release) of a person who has been convicted or adjudicated delinquent of a sexually violent offense, to send written notice to the State's Attorney in the county in which the person was convicted or adjudicated delinquent of the anticipated release date and that the person will be considered for commitment prior to that release date.

They requested the population of all individuals in custody that were convicted of a sexually violent offense that had been released or had scheduled release dates that would require notification to the State's Attorney during Fiscal Years 2023 and 2024.

In response to their request, the Department provided a population that contained inconsistencies. Within the population provided, the auditors noted individuals that were not convicted of a sexually violent offense in accordance with the Act or were not anticipated to be released during the requested date range and requiring notification by the end of the examination period. Due to these conditions, they were unable to conclude the Department'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) to fully test the Department's compliance with the notification provision of the Act.

Even given the population limitation noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, they performed testing on 60 samples of the list provided by the Department and noted no exceptions.

The State Records Act (5 ILCS 160/8) requires each agency head to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property and other assets be safeguarded against waste, loss, unauthorized use, and misappropriation.

Department management indicated the population exception was due to employee error.

Without the Department providing complete and adequate documentation to enable testing, the auditors were impeded in completing their procedures and providing useful and relevant feedback to the General Assembly regarding the Department's compliance with State laws and regulations. Furthermore, the failure to maintain a complete and accurate listing of individuals in custody convicted of a sexually violent offense to be considered for commitment may result in untimely notification to the State's Attorney. Timely notification is necessary in order to provide the State's Attorney the opportunity to file a petition with a court to have the individual in custody evaluated to determine if they are a sexually violent person prior to release.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- There were no instances found in the 60 tested samples of failure to notify the appropriate State's Attorney, when necessary. Rather, the Department inadvertently included more individuals in the original population than necessary.

ACCOUNTANT'S COMMENT:

Although no exceptions were identified in the sample tested from the inaccurate listing provided by the Department, reasonable assurance could not be obtained that the Department complied with the notification mandate because an accurate population listing was not provided.

The control weaknesses which resulted in the improper inclusion of individuals identified also pose a risk that other individuals requiring notifications may have been omitted from the population. Any individuals omitted from the listing could not be tested for compliance and may bear a higher likelihood of noncompliance.

UPDATED RESPONSE:

Under Study

- The Department continues to appreciate the concern over accurate data pulls and has requested additional programming via a ticket to the Department of Innovation and Technology (DoIT) to enhance the Department's ability to correctly identify this subset of the sex offender population.

35. The auditors recommend the Department strengthen its internal controls to ensure the Annual Report on constituent services is submitted timely to the General Assembly and Office of the Governor. Further, they recommend the Department strengthen controls to ensure that necessary information is included in the Annual Report and is posted to the Department's website timely.

FINDING: *(Failure to properly submit Annual Reports related to constituent services) - New*

The Department of Corrections (Department) did not properly submit the Annual Reports relating to constituent services to the Office of the Governor and General Assembly, and did not post the Annual Reports to the Department website during Fiscal Year 2023 and Fiscal Year 2024.

During their testing of the Annual Reports related to constituent services, the auditors noted the following exceptions:

- The Calendar Year 2023 Annual Report, due in Fiscal Year 2024, was submitted 323 days late to the Office of the Governor, and 35 days late to the General Assembly.
- The Calendar Year 2022 Annual Report, due in Fiscal Year 2023, was submitted 30 days late to both the General Assembly and the Office of the Governor.
- The Calendar Year 2022 Annual Report was posted 138 days late to the Department website.
- In the Calendar Year 2022 Annual Report, for the 26 investigations recommended, the report did not indicate that a report of the complaint was forwarded to the Chief Inspector of the Department or other Department employees, the resolution of the complaint, and if the investigation has not concluded, a detailed status report on the complaint.

The Unified Code of Corrections (Code) (730 ILCS 5/3-7-2(i)(2)) states the Department shall provide an annual written report to the General Assembly and the Governor, with the first report due no later than January 1, 2023, and publish the report to its website within 48 hours after the report is transmitted to the Governor and the General Assembly. The Code requires the report to include a summary of activities undertaken and completed as a result of submissions to the point of contact person. The Department shall collect and report the following aggregated and disaggregated data for each institution and facility and describe whether, if an investigation is recommended, a report of the complaint was forwarded to the Chief Inspector of the Department or other Department employee, and the resolution of the complaint, and if the investigation has not concluded, a detailed status report on the complaint.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/1002) states it is the policy of this State that the chief executive officer of every State agency is responsible for establishing and maintaining an effective system of internal controls.

Department management stated that since the due date is January 1st of each year, the Department struggled to complete the report for the previous calendar year by the due date. Management also stated the failure to timely post the report to the Department's website was due to management oversight. Furthermore, officials indicated the failure to include required data in the Annual Report was due to management oversight and employee turnover.

Failure to timely submit annual reports to the Office of the Governor, General Assembly, and post the Annual Reports to the Department website reduces the effectiveness of governmental oversight and may hinder the State's ability to monitor Department operations.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- Per the Public Act, the report is due annually. Therefore, to be in compliance with the requirement, the Department has changed from reporting the information for the period of January 1 – November 30 of each year to reporting the information for the previous fiscal year. In addition, there is a legislative change request in place to amend the current law to be reflective of the actual reporting timelines and due dates. The Chief Inspector's Office will also ensure that the report is updated to the Illinois Department of Corrections website. In addition, the Chief Inspector has been working with the Department of Innovation and Technology (DoIT) to create a database for tracking the receipt of suggestions, complaints, or other requests that is searchable and allows for producing the correct data for reporting purposes.

UPDATED RESPONSE:

- Recommendation to complete the reports timely has been fully **implemented**. The database recommendation has been **partially implemented** at 75%. Full implementation is dependent on the Department of Innovation and Technology (DoIT).
- Responsible for Implementation: Chief Inspector
- The basis of the report was changed from a calendar year end to a fiscal year end so that the report could be filed by the due day of January 1 of each year. As a result, the FY24 Annual Report due on January 1, 2025, was filed timely. Additionally, the Chief Inspector has been working with the Department of Innovation and Technology (DoIT) to create a database for tracking the receipt of suggestions, complaints, or other requests that is searchable and allows for producing the correct data for reporting purposes.

36. The auditors recommend the Department strengthen internal controls and allocate necessary resources to ensure timely submission of Annual Reports to the Office of the Governor and to the General Assembly.

FINDING: *(Failure to timely submit Annual Reports related to earned sentence credit) - New*

The Department of Corrections (Department) did not properly submit Annual Reports related to earned sentence credit to the Office of the Governor and General Assembly during Fiscal Year 2023 and Fiscal Year 2024.

During their testing, the auditors noted the Calendar Year 2022 Annual Report, due in Fiscal Year 2023, was submitted 616 days late to the Office of the Governor and 34 days late to the General Assembly. In addition, the Calendar Year 2023 Annual Report, due in Fiscal Year 2024, was submitted 251 days late to the Office of the Governor.

The Unified Code of Corrections (730 ILCS 5/3-6-3(a)(3.5)) states the Department shall provide annual written reports to the Governor and the General Assembly on the award of earned sentence credit no later than February 1 of each year.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/1002) states it is the policy of this State that the chief executive officer of every State agency is responsible for establishing and maintaining an effective system of internal controls.

Department management indicated these exceptions were due to employee oversight and staff turnover.

Failure to timely submit annual reports to the Office of the Governor and General Assembly reduces the effectiveness of governmental oversight and may hinder the State's ability to monitor Department operations.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department will ensure the reports are timely submitted to the Office of the Governor and General Assembly.

UPDATED RESPONSE:

Implemented

- Responsible for Implementation: Manager, Planning & Research
- The Department has enhanced their efforts to meet all deadlines and track report submissions as needed.

37. The auditors recommend the Department strengthen its internal controls to ensure new staff are aware of this responsibility for timely submission of their Annual Reports to the Office of the Governor.

FINDING: *(Failure to properly submit Annual Reports to the Governor) – This finding has been repeated since 2020.*

The Department of Corrections (Department) did not timely submit the Fiscal Year 2022 Annual Report to the Office of the Governor.

The Fiscal Year 2022 Annual Report, due in Fiscal Year 2023, was submitted 135 days late to the Office of the Governor.

This finding was first noted during the Department's Fiscal Year 2020 State compliance examination, four years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The State Finance Act (30 ILCS 105/3a) requires each officer of the executive department and all public institutions of the State shall, no later than January 7 of each year, make and deliver to the Governor an annual report of their acts and doings, respectively, arranged so as to show the acts and doings of each for the fiscal year ending in the calendar year immediately preceding the calendar year in which that regular session of the General Assembly convenes.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/1002) states it is the policy of this State that the chief executive officer of every State agency is responsible for establishing and maintaining an effective system of internal controls.

Finally, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management stated the exception was due to staff turnover and a delay in training on this responsibility.

Failure to timely submit annual reports to the Office of the Governor reduces the effectiveness of governmental oversight and may hinder the State's ability to monitor Department operations.

DEPARTMENT RESPONSE:

- Recommendation implemented.
- The Fiscal Year 2023 report that was due on January 7, 2024, was filed on time as well as the Fiscal Year 2024 report that was due on January 7, 2025. Going forward, the Department will ensure the Annual Reports are filed with the Governor's Office on time each year.

UPDATED RESPONSE:

Implemented.

- Responsible for Implementation - Internal Communications Manager

- Both the Fiscal Year 2023 and Fiscal Year 2024 Annual Reports were filed by the due date of January 7, 2024 and 2025, respectively. Going forward, the Department will ensure the Annual Reports are filed with the Governor's Office on time each year.

38. The auditors recommend the Department strengthen its internal controls to ensure timely submission of the Annual Reports related to re-entry to the General Assembly.

FINDING: *(Failure to timely submit Annual Reports related to re-entry) – New*

The Department of Corrections (Department) did not timely submit Annual Reports related to re-entry to the General Assembly during Fiscal Year 2023 and Fiscal Year 2024.

During their testing of Annual Reports regarding persons re-entering the community from correctional centers, the auditors noted the Calendar Year 2022 Annual Report, due in Fiscal Year 2023, was submitted 541 days late to the General Assembly. In addition, they noted the Calendar Year 2023 Annual Report, due in Fiscal Year 2024, was submitted 176 days late to the General Assembly.

The Unified Code of Corrections (730 ILCS 5/5-8A-4.2(e)) states the Department shall report to the General Assembly on or before January 1 annually on these activities to support successful transitions to the community.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/1002) states it is the policy of this State that the chief executive officer of every State agency is responsible for establishing and maintaining an effective system of internal controls.

Department management stated the late submissions of Annual Reports were due to management oversight.

Failure to timely submit annual reports to the General Assembly reduces the effectiveness of governmental oversight and may hinder the General Assembly's ability to monitor Department operations.

DEPARTMENT RESPONSE:

- Recommendation implemented.
- The Department originally assumed the reporting requirement rested with the Department of Human Services. The Department has caught up the missing reports and will ensure they are timely submitted going forward. The Department has also submitted a legislative change request to allow the Department to defer submitting the reports until such a time as the Frequent Users Systems Engagement (FUSE) program becomes viable.

UPDATED RESPONSE:

Implemented.

- Responsible for Implementation: Manager, Planning & Research

- The Department has caught up the missing reports and will ensure they are timely submitted going forward.

39. The auditors recommend the Department allocate necessary staff and resources and work with other entities as needed in order to compile and report all required violence and public safety data to the General Assembly. They further recommend the Department seek clarification or change of statute if they believe the mandate is unclear or unable to be fully implemented as written.

FINDING: *(Incomplete quarterly reporting of violence and public safety data) – This finding has been repeated since 2020.*

The Department of Corrections (Department) failed to properly report all required violence and public safety data to the General Assembly on a quarterly basis.

The Department was required to report on violence in institutions and facilities and public safety. During their testing, the auditors noted the Department failed to report on all required data on violence and public safety each quarter during Fiscal Year 2023 and Fiscal Year 2024. The information missing for all quarters includes the following, which represents 4 of 31 (13%) required statistics:

- Committed persons in custody who are being held past their mandatory statutory release date and the reasons for their continued confinement.
- Parole and mandatory supervised release revocation rate by county and reasons for revocation.
- Committed persons on parole or mandatory supervised release who have completed evidence-based educational programs.
- Committed persons on parole or mandatory supervised release who have completed evidence-based vocational programs.

This finding was first noted during the Department's Fiscal Year 2020 State compliance examination, four years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The Unified Code of Corrections (Code) (730 ILCS 5/3-2-12) requires the Department to collect and report the rate of specific violence and public safety data. The Code states the violence and public safety data shall be included in the Department's quarterly report to the General Assembly and posted on the Department's website and shall include an aggregate chart at the agency level and individual reports by each correctional institution or facility of the Department. The Director is required to ensure management of each facility, on a quarterly basis, identifies trends, develops action items to mitigate the root causes of violence, and establishes committees to review violence data and develop action plans to reduce violence, including a wide range of strategies to incentivize good conduct.

The Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management stated they have not received funding for computer programming that would allow them to effectively track data. In addition, management stated the reason for confinement requires the cooperation of an external State agency. Lastly, the Department is not clear on the statutory requirements for the reporting of the revocation rate by county and reasons for revocation.

Failure to gather and properly report required violence and public safety data to the General Assembly reduces accountability and the effectiveness of governmental oversight. Failure to analyze all violence and public safety data and develop corrective action hinders the Department's ability to reduce and mitigate the root causes of violence.

DEPARTMENT RESPONSE:

- Recommendation accepted.
- The Department worked diligently to create processes to manually collect and compile the data since the tracking system of record was not designed to produce the data. The Department is not able to provide the parole and mandatory supervised release revocation rate by county for several reasons including because the mandate does not define the meaning of "county". This could be the county where the individual resided, the county from which the individual was committed, the county where they committed the violation of parole, or the county the individual was arrested for the violation of parole. Each issue could represent a different county. In addition, introducing a county-related element into a recidivism calculation might confuse the legislature and public by inference that the county has some relevance in a state-initiated return rate. Furthermore, this unfunded mandate would require extensive, and expensive computer programming. Therefore, the Department is in the process of seeking legislative remedy.
- In addition, the finding does not contain any instances of failing to analyze violence and public safety data to develop corrective action plans to reduce and mitigate the root causes of violence.

UPDATED RESPONSE:

Under Study.

- The Department continues to manually collect certain required reporting elements while deferring others as a result of needed programming for this unfunded mandate.

40. The auditors recommend the Department to train responsible staff and implement internal controls to ensure the submission of the required progress reports to the chief of police or sheriff in the municipality or county in which the offender resides and is registered. They further recommend the Department pursue legislative change if they do not believe the statutory requirement is reasonable and appropriate.

REVIEW: #4605 Department of Corrections – FY23-24 Compliance Examination

FINDING: *(Noncompliance with extended supervision of sex offender requirements of the Unified Code of Corrections) – This finding has been repeated since 2020.*

The Department of Corrections (Department) failed to report individuals' progress under the extended supervision of sex offender requirements of the Unified Code of Corrections (Code).

During Fiscal Year 2023 and Fiscal Year 2024, there were a total of 316 and 379, respectively, individuals released under extended mandatory supervision of sex offender requirements. These individuals are defined by the Code (730 ILCS 5/5-8-1(d)(4)) as including those who committed the offense of predatory criminal sexual assault of a child, aggravated criminal sexual assault, criminal sexual assault, certain offenses of aggravated child pornography, or manufacture or dissemination of child pornography after specified dates, whose terms of mandatory supervised release range from 3 years to life.

During their testing, the auditors noted for all 60 (100%) individuals released under extended supervision of sex offender requirements tested, the Department was unable to provide support for the submission of the required progress reports to the chief of police, or sheriff in the municipality or county in which the offender resides and is registered.

This finding was first noted during the Department's Fiscal Year 2020 State compliance examination, four years ago. As such, Department management has been unsuccessful in implementing a corrective action plan to remedy this deficiency.

The Code (730 ILCS 5/3-14-2.5(b)) requires the Department to supervise sex offenders placed on mandatory supervised release in accord with the conditions set by the Prisoner Review Board. The Code also states "Commencing 180 days after the offender's release date and continuing every 180 days thereafter for the duration of the supervision term, the supervising officer shall prepare a progress report detailing the offender's adjustment and compliance with the conditions of mandatory supervised release including the offender's participation and progress in sex offender treatment. The progress report shall be submitted to the Prisoner Review Board and copies provided to the chief of police and sheriff in the municipality and county in which the offender resides and is registered."

In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management indicated the exceptions were due to a failure to train employees to retain submission support for reports provided to the local Chief of Police and Sheriff.

Failure to timely prepare and report required information for a sex offender on mandatory supervised release to the local Chief of Police and Sheriff may reduce the effectiveness of governmental monitoring and oversight to identify and manage risks posed to public safety.

DEPARTMENT RESPONSE:

- Recommendation implemented.
- During the examination period, the Department submitted the progress reports either through email or hand delivery to the Chief of Police and Sheriffs of the city and county where the sex offenders reside. However, the Department did not retain the emails or obtain a delivery receipt for those that were hand delivered. Going forward, the Parole Agents are notating delivery of the reports to the appropriate Chief of Police and Sheriff in the case management software system used by the Parole Division to manage caseloads. In addition, a copy of the email is now saved in a shared file drive.

UPDATED RESPONSE:

Implemented.

- Responsible for Implementation: Manager, Planning & Research
- The Department initiated a manual progress report delivery process (including email when able and USPS) and redoubled efforts to record case notes, within the case management tracking system, of those deliveries, including time/date and method. In addition, the Department is in the process working on an automated progress report delivery system via electronic methods.

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 affidavits or statements with the Procurement Policy Board and the Auditor General setting forth the amount expended (or an estimate of the total cost), the name of the contractor involved, and the conditions and circumstances requiring the emergency purchase. The Code also allows for quick purchases. 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.

There were 9 emergency purchase statements filed by the Department during the first quarter of FY23 as follows:

- Estimated cost - $52,085 in state funds for diesel fuel to keep a temporary generator running during the duration of an electrical system repair at Dixon Correctional Center.
- Estimated cost - $68,294 in state funds for repairing damages caused by a fire at the Dixon Correctional Center's Powerhouse.
- Estimated cost - $100,000 in state funds for a temporary generator while power restored following a fire at Pinckneyville Correctional Center.
- Estimated cost - $40 million in state funds for a vendor to supply medical, dental, vision, audiology, pharmaceutical and mental health services for incarcerated individuals at specific correctional centers.
- Estimated cost – A zero-dollar contract for commissary items.
- Estimated cost – A zero-dollar contract for commissary items.
- Estimated cost – A zero-dollar contract for commissary items.
- Estimated cost – A zero-dollar contract for commissary items.
- Estimated cost – A zero-dollar contract for commissary items.

There were 3 emergency purchase statements filed during second quarter of FY23 as follows:

- Estimated cost - $3 million in other funds for COVID-19 testing at DOC facilities while a bid is evaluated.
- Estimated cost - $114,739.97 in state funds to rebuild 2 pumps and install 1.
- Actual cost – A zero-dollar contract for network maintenance, video visitation, tablet access, personal entertainment, and learning opportunities paid for by individuals in custody.

There were 7 emergency purchase statements filed during third quarter of FY23 as follows:

- Estimated cost - $187,232.52 in state funds for a temporary boiler while current one is repaired or replaced at Lawrence Correctional Center.
- Estimated cost - $680,000 in state funds to purchase 40 police vehicles.
- Estimated cost - $80,000 in state funds to purchase a passenger van.
- Estimated cost - $287,520 in state funds to purchase 4 passenger vans.
- Estimated cost - $850,000 in state funds to purchase 50 police vehicles.
- Estimated cost - $850,000 in state funds to purchase 50 police vehicles.

- Estimated cost - $937,800 in state funds to purchase 20 passenger vans.

There were 2 emergency purchase statements filed during fourth quarter of FY23 as follows:

- Estimated cost - $2,700,800 in state funds for a vendor to provide multiple skill levels of nursing staff for DOC facilities while a new competitive solicitation is conducted.
- Estimated cost - $692,640 in state funds for a vendor to provide sliced bread to be served at DOC facilities while a new solicitation is being evaluated.

There were 2 emergency purchase statements filed during first quarter of FY24 as follows:

- Estimated cost - $125,000 in state funds for necessary substation repairs at the Shawnee Correctional Center.
- Estimated cost - $132,654.78 in state funds for rental of 2 boilers at Shawnee Correctional Center.

There were 3 emergency purchase statements filed during second quarter of FY24 as follows:

- Estimated cost - $35,436 in state funds to lease cooler trucks to store dietary commodities at Stateville Correctional Center while awaiting long-term replacement of freezers/coolers.
- Estimated cost - $803,415 in state funds for a vendor to use mobile dietary kitchens while kitchen renovations are completed at Stateville Correctional Center.
- Estimated cost - $147,935.72 in state funds for rental of 3 boilers at Shawnee Correctional Center.

There were 13 emergency purchase statements filed during third quarter of FY24 as follows:

- Estimated cost - $140,323.09 in state funds for food delivery carts.
- Estimated cost - $16,344 in state funds to lease cooler trucks to store dietary commodities at Stateville Correctional Center while awaiting long-term replacement of freezers/coolers.
- Estimated cost - $200,185.09 in state funds for 15’ and 16’ box trucks.
- Estimated cost - $3.5 million in state funds to a vendor to provide multiple skill levels of nursing staff at DOC facilities.
- Estimated cost - $235,200 in state funds to a vendor to develop an emergency meal plan and provide management and consulting services for implementation.
- Estimated cost – A zero-dollar contract for commissary items.
- Estimated cost – A zero-dollar contract for commissary items.
- Estimated cost – A zero-dollar contract for commissary items.
- Estimated cost – A zero-dollar contract for commissary items.
- Estimated cost - $177,593.50 in state funds for a temporary boiler at Vienna Correctional Center.

- Estimated cost - $312,975 in state funds for end-user services for the Offender/Youth 360 Application.
- Estimated cost – A zero-dollar contract for commissary items.
- Estimated cost - $200,000 in state funds for a vendor to conduct onsite surveys and inspections at Stateville and Logan Correctional Centers to determine environmental impact of demolishing and cleaning up two sites.

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 2024, the Department had 426 employees assigned to locations others than official headquarters.