

LEGISLATIVE AUDIT COMMISSION



Review of
Department of Juvenile Justice
Two Years Ended June 30, 2022
620 Stratton Office Building
Springfield, Illinois 62706
217/782-7097

REVIEW #4574: FY21-22 Compliance Examination

**REVIEW: 4574
DEPARTMENT OF JUVENILE JUSTICE
TWO YEARS ENDED JUNE 30, 2022**

**RECOMMENDATIONS – 25
PARTIALLY IMPLEMENTED - 18**

**IMPLEMENTED – 5
UNDER STUDY - 2
REPEATED RECOMMENDATIONS – 21**

PRIOR AUDIT FINDINGS/RECOMMENDATIONS – 25

Agency Narrative

The Illinois Department of Juvenile Justice (DJJ) works to provide treatment and services through a comprehensive continuum of individualized educational, vocational, social, emotional, and basic life skills that will enable youth to avoid delinquent futures and become productive, fulfilled citizens. DJJ has recently announced the 21st Century Illinois Transformation Model, which focuses on reducing the harm of incarceration by transitioning youth to small, regional residential centers, investing significantly in community wraparound support and intervention services for justice-involved youth, and increasing financial support for victim services in communities that are disproportionately impacted by violence.

Improvements to Education

DJJ will be focused on enhancing the quality of education for committed youth. School District 428 continues to work collaboratively with the State Board of Education to develop an enhanced educational curriculum and specialized programming and services for committed youth that ensures federal and state educational program compliance. DJJ will continue to recruit educators and expand its vocational education opportunities for youth in custody.

Improvements to Rehabilitative Services

DJJ will enhance interventions that are proven to reduce recidivism and produce positive youth outcomes. Using the Youth Assessment and Screening Instrument (YASI) model, DJJ has identified areas of the highest risk for our youth and evidence-based programs designed to address those risks. DJJ is expanding its rehabilitative programming, including trauma-informed care and mental health services.

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Expand and Enhance the Community Services Division

DJJ will transition Aftercare to the Community Services Division which will be targeted at youth development and successful re-entry into society. The Community Services Division will include partnerships with community-based organizations that provide services to youth. As part of the Community Services Division, more emphasis will be placed on providing a continuum community treatment option including specialized treatment beds, transition beds, community-based placement positions, Day Reporting Centers, and others.

Heidi Mueller was the Director during the audit, serving in that position since December 19, 2016. Director Mueller has worked for the Department since 2014. Previously she was the Executive Director of the Illinois Juvenile Justice Commission. Director Mueller is now director of CFS.

The current DJJ Acting Director is Robert Vickery.

Mission Statement: The mission of the Illinois Department of Juvenile Justice is to build youth skills and strengthen families to promote community safety and positive youth outcomes.

Program Goals and Objectives:

1. Develop a structural framework and foundation necessary to deliver services to youth.
 - a. Develop and implement performance-based standards that are consistent with contemporary practices in the field of juvenile justice.
 - b. Enhance and further develop the Aftercare system that is designed to enhance the chances for success upon a youth's re-entry into the community.
 - c. Expand and enhance skill building, educational and vocational opportunities for all youth in custody.

Key Metrics (According to Public Accountability Report)

| Indicators | FY 21 | FY22 | FY23 |
|--|---------------|---------------|---------------|
| Total expenditure | \$108,529,500 | \$107,063,900 | \$116,236,000 |
| Headcount (full-time) | 833 | 756 | 880 |
| Education spending per capita | \$97,000 | \$81,000 | \$81,000 |
| Aftercare services spending per capita | \$43,000 | \$61,500 | \$61,500 |
| Youth enrolled in Aftercare | 371 | 274 | 274 |
| % of youth incarcerated within 3 years | 37% | 35.7% | 35.7% |
| Students enrolled in DJJ's school dist | 77 | 85 | 100 |

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DJJ operated the following Illinois Youth Centers (IYC), listed by security level:

| | |
|---------|---|
| Maximum | IYC Warrenville (male and female) |
| Medium | IYC Chicago (male) PEACE CENTER - St. Charles IYC Harrisburg (male) |
| Minimum | IYC Pere Marquette (male) |

The DJJ has approp. authority from the following funds:

- GRF; and
- DOC Reimbursement and Education Fund (523).

Illinois county juvenile detention centers do NOT fall under the jurisdiction of the State of Illinois Department of Juvenile Justice.

Accountants' Findings and Recommendations

Condensed below are the 25 findings and recommendations included in the audit report. The following recommendations are classified on the basis of information provided by the Department of, via electronic mail received May 3, 2023.

1. **The auditors recommend DJJ strengthen its controls over maintaining, recording, and reporting its state property and equipment by reviewing its inventory and recordkeeping practices to ensure compliance with State Laws and regulations. Further, they recommend DJJ ensure all property transactions are accurately and timely recorded on DJJ's property records.**

FINDING: *(Inadequate Controls over State Property) – First reported 2008, last reported 2022*

DJJ did not maintain adequate documentation and control over its state property during the examination period.

During testing, auditors noted the following:

- DJJ's property control listing did not accurately report equipment locations and location codes. Two of 120 (2%) equipment items counted, totaling \$635, were found in a different location as compared to the property system record. These exceptions were noted at Youth Centers in Pere Marquette and Warrenville.
- Fourteen of 60 (23%) equipment items selected from the property listing, totaling \$250,162, were unable to be located. These exceptions were noted at the Admin Office in Springfield.

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- Seven of 120 (6%) equipment items selected from the property listing and from the various locations throughout DJJ had missing tag numbers. One of the items amounted to \$12,400, while the value of the other 6 items could not be determined. These exceptions were noted at Youth Centers in Chicago, St. Charles, and Harrisburg, Admin Office in Springfield and Aftercare Center in Springfield.
- Sixteen of 60 (27%) equipment items selected from various locations throughout the Department were physically found, but not reported on property records. These exceptions were noted at Youth Centers in Chicago and St. Charles, Admin Office in Springfield, and Aftercare Center in Springfield.
- One of 60 (2%) equipment items selected from the property listing was a rented equipment incorrectly recorded as part of the property records. This equipment was already retrieved by the vendor on November 13, 2020, but was still included in the property listing.
- During property testing of 9 additions, auditors noted the following:
 - DJJ incorrectly recorded the value of an equipment in the property listing resulting in an understatement of \$200.
 - Two of 9 (22%) equipment additions tested were duplicate items. This exception resulted in an overstatement of equipment by \$4,969.
- During property testing of 38 deletions, auditors noted the following:
 - Four (11%) deletions tested, totaling \$19,579, were removed from the inventory listing between 282 and 1,000 days late.
- DJJ did not maintain an accurate inventory listing; therefore, its annual inventories and annual certifications to CMS were not adequately completed.
 - DJJ reported 496 items (11% of total inventoried items) and 873 items (6% of total inventoried items) that were unable to be located in FY21 and FY22, respectively. This exception amounted to a total discrepancy of \$887,440 for both fiscal years.
 - DJJ reported inventory balances as of FY20 and FY21 in its Certification of Inventory for closed Youth Centers:
 - Youth Center Joliet had a total inventory of \$30,576,729 in Fiscal Year 2021 and \$6,083,992 in FY22.
 - Youth Center Murphysboro had a total inventory of \$2,287 in Fiscal Year 2021 and \$5,193 in FY22.

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These closed Youth Centers reopened as facilities under the Department of Corrections.

- During the property testing of 12 unused, condemned, or worn-down buildings at Youth Center (St. Charles), auditors noted the following:
 - All (100%) of the unused, condemned or worn-down buildings were not included in the deletion listing report in FY21. In FY22, 10 (83%) buildings were still not included in the deletion listing report.
 - All (100%) of the unused, condemned or worn-down buildings were included in the Annual Real Property Utilization Report (ARPUR) in FY21. In FY22, 5 (42%) buildings were still included in the ARPUR.

This finding was first noted during the examination of the two years ended June 30, 2008. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials indicated property control weaknesses were due to understaffing, lack of funds, and high employee turnover rates.

Failure to maintain accurate property and equipment records represents noncompliance with State laws and regulations and increases the potential for fraud and the possible loss or theft of State property. In addition, inaccurate property reporting reduces the reliability of Statewide capital asset information. Further, the failure to properly maintain buildings increases the risk of hazards to employees and youths, increases the risk of damage to commodities and equipment, and may cause disruption in operations.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. Under the Public Safety Shared Services Center (PSSSC) Agreement, the Department relied on the PSSSC to perform many of these functions during the audit period. The PSSSC has been understaffed for the last several years. In June of 2022, the Department hired a Property Control Manager. The Department also established a Corrective Action Plan that includes working with PSSSC to transfer these functions to the Department and to work with staff to implement sufficient internal controls to ensure adequate administration of property.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action plan in progress that includes working with staff to updating and maintaining accurate inventory records in a timely fashion and reporting of state property.

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2. **The auditors recommend DJJ retain all vouchers and adequate supporting documentation. They also recommend DJJ timely approve vouchers.**

FINDING: *(Inadequate Controls over Voucher Processing) – First reported 2018, last reported 2022*

DJJ did not exercise adequate controls over voucher processing.

During their sample testing of 60 payroll vouchers, auditors noted 3 (5%) payroll vouchers tested, totaling \$787,495, did not have documentation of proper approval by the agency head or authorized designee.

During their sample testing of 40 travel vouchers, auditors noted the following:

- Two (5%) sample vouchers were duplicate payments, resulting in an overpayment of \$883.
- For 1 (3%) sample voucher, the supporting documentation was not provided. The purpose of travel, signature of traveler, and approval of voucher could not be determined and verified.

During their sample testing of 25 awards and grants vouchers, auditors noted 2 (8%) vouchers were processed with an incorrect appropriation object code. The supporting documentation were for travel reimbursements to contractual payroll employees but were processed as tort, settlements and similar payments (non-taxable).

This finding was first noted during the examination of the two years ended June 30, 2018. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials indicated the issues noted were mainly due to conflicting priorities, oversight, and changes in staffing.

Inadequate controls over voucher processing could result in untimely approval or improper payments and could subject the Department to unnecessary interest charges. In addition, the propriety of disbursements may be questioned due to missing supporting documentation.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department would like to note that we have made significant improvement in this area noting the small error rate above. The Department has established a Corrective Action Plan that includes reviewing the feasibility of hiring additional staff in FY'23 and to work with current staff to ensure that all

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supporting documentation is retained, the receipt date is documented, and the vouchers are timely approved.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action plan in progress that includes working with staff on obtaining the required documentation and timely approving or rejecting vouchers.

3. The auditors recommend DJJ strengthen controls to ensure adequate maintenance of personnel and payroll records and documentation.

FINDING: *(Failure to Maintain Required Personnel Documentation) – First reported 2018, last reported 2022*

DJJ failed to maintain adequate controls over its personnel and payroll records and documentation.

During testing of personnel files for 60 employees, auditors noted the following:

- For fifteen (25%) employees tested who were absent from work, DJJ was unable to provide the supporting Notification of Absence Report.
- For 23 (38%) employees tested, deductions for payroll withholding taxes and insurance premiums were not accurately computed, resulting in a net overstatement of \$1,076.
- For 6 (10%) employees tested, details of employee benefits were not provided, therefore, auditors were unable to determine accuracy of deductions for the dental, health, and optional life insurance premiums.
- For 1 (2%) employee tested, DJJ was unable to provide the signed *Federal/Illinois W-4 Employee's Withholding Exemption Certificate (Form C-25)*.

This finding was first noted during the examination of the two years ended June 30, 2018. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials stated the exceptions noted were due to improper filing, clerical oversight, and human error.

Inadequate maintenance of personnel files could result in improper payroll amounts and potential problems with employment issues.

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DEPARTMENT RESPONSE:

The Department accepts the recommendation. Under the Public Safety Shared Services Center (PSSSC) Agreement, the Department relied on PSSSC to perform many of these functions. The PSSSC has been understaffed for the last several years. In September of 2022, the Department hired a Director of Human Resources and four (4) other Human Resources staff that will help increase and maintain staffing levels. The Department also established a Corrective Action Plan that includes working with the PSSSC to transfer these functions and to strengthen controls over the timekeeping and payroll records. Additionally, the State of Illinois is in the process of implementing the Human Capital Management (HCM) system for all agencies, which includes a payroll and timekeeping component.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action plan in progress that includes reviewing Administrative Directives with staff, updating payroll records and implementing the new HCM Software System.

4. The auditors recommend DJJ strengthen controls to ensure the accuracy of its Youth transfer listing.

FINDING: *(Inaccurate Youth Transfer Listing) – First reported 2018, last reported 2022*

DJJ failed to maintain accurate information related to transfer and movement of Youths.

DJJ utilizes the Youth 360 system to track Youth offender information, including location information. To test compliance with the Unified Code of Corrections Code, auditors requested a listing of transfers made between Youth Centers. The Chicago Youth transfer listing was not accurate.

Due to these conditions, auditors were unable to conclude whether the Department's population records were sufficiently precise and detailed under Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36) to test the Department's compliance with the above provisions of the Code.

Even given the population limitations noted above, which hindered their ability to conclude whether the selected sample was representative of the population as a whole, auditors selected a sample of 40 Youth transfers from the listing provided by the Department and performed testing.

During testing, we noted 2 of 40 (5%) youth transfer samples selected from the Y360 population had a different destination recorded in Youth 360 as compared to supporting documents. These exceptions were noted in Chicago Youth Center.

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This finding was first noted during the examination of the two years ended June 30, 2018. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials indicated the exceptions noted were due to understaffing.

Failure to maintain accurate documentation of transfers could result in improper or unnecessary transfers occurring between Youth facilities and represents noncompliance with the State laws and regulations.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department would like to mention the very small error rate related to one person and one day data entry into Y360. DJJ has established a Corrective Action Plan that includes working with staff to ensure an accurate transfer listing is maintained and data is entered accurately in Y360.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action plan in progress that includes working with staff to accurately completing youth transfer records within the Y360 software system.

5. The auditors recommend DJJ process proper bills within 30 days of receipt and approve vouchers for payment of interest due to vendors.

FINDING: *(Voucher Processing Weakness) – First reported 2018, last reported 2022*

DJJ did not timely submit its vouchers for payment to the Comptroller's Office and approve for payment all interest due to vendors during the examination period.

Due to their ability to rely upon the processing integrity of the Enterprise Resource Planning System (ERP) operated by DoIT, 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, auditors selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's ERP System based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

The auditors then conducted an analysis of the Department's expenditures data for FY21 and FY22 to determine compliance with the State Prompt Payment Act (Act) (30 ILCS

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540) and the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70). Auditors noted the following noncompliance:

- DJJ owed two vendors interest totaling \$43 in FY21; however, the Department had not approved these vouchers for payment to the vendors.
- DJJ did not timely approve 2,667 of 6,216 (43%) vouchers processed during the FY21, totaling \$18,050,107. Auditors noted these late vouchers were submitted by the Department to the Comptroller's Office between 1 and 400 days late.
- DJJ did not timely approve 2,459 of 6,570 (37%) vouchers processed during the FY22, totaling \$17,999,392. Auditors noted these late vouchers were submitted by the Department to the Comptroller's Office between 1 and 351 days late.

This finding was first noted during the examination of the two years ended June 30, 2018. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials indicated the issues noted were due to the ERP system not having a field to capture the approval date of the bill as a proper bill. Therefore, to document the approval date, DJJ manually or electronically states it on the invoice or bill.

Failure to timely process proper bills and approve vouchers for payment of interest due represents noncompliance with the Code and the Act.

DEPARTMENT RESPONSE:

The Department disagrees with the accountant's statement related to not approving invoices timely totaling 2,667 (\$18,050,107) and 2,459 (\$17,999,392), for the FY'21 and FY'22, respectively. The Department would like to note the approval date was miscalculated due to it not being captured in the ERP system but rather written on the invoice itself. DJJ paid prompt pay interest on 489 (\$277,485) and 236 (\$165,095) number of vouchers for the FY'21 and FY'22, respectively.

Additionally, the Department agrees with the accountant's statement related to the two invoices totaling \$43 were not paid the required prompt pay interest. The Department has established a corrective action plan that includes working with staff on strengthening controls over prompt pay interest.

ACCOUNTANT'S COMMENT

The Department's response is factually inaccurate as the ERP System **does maintain** the approval date. In fact, all approvals are required to be entered into the ERP System before the vouchers are submitted to the Office of Comptroller for payment. Further, if

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the ERP System did not have the approval date, how could the calculation of prompt payment interest be conducted?

UPDATED RESPONSE:

Part of the Recommendation related to processing proper bills within 30 days is *not accepted and has not changed*. The second part of the recommendation of approving vouchers for payment of interest due to vendors is *partially implemented*. DJJ has a corrective action in progress that has a monthly review the prompt-pay invoices.

6. **The auditors recommend DJJ perform timely monthly reconciliations of its expenditure records to those of the Comptroller to ensure reliable records are maintained.**

FINDING: *(Reconciliations Not Performed Timely) – First reported 2020, last reported 2022*

DJJ did not timely perform reconciliations of DJJ records to the records of the Office of Comptroller (Comptroller).

During testing, auditors noted the following:

- One of 32 (3%) reconciliations of appropriation transfers by the Department to the Comptroller's Monthly Appropriation Transfer Report (SB03) was performed 16 days late.
- Two of 32 (6%) reconciliations of the expenditures by the Department to the Comptroller's Monthly Appropriation Status Report (SB01) were performed between 11 and 42 days late.

DJJ officials stated the reconciliations were not performed timely due to staff oversight and turnover.

Failure to perform timely reconciliations could result in differences and posting errors not being identified and corrected and represents noncompliance with SAMS.

DEPARTMENT RESPONSE:

The Department accepts the recommendation.

UPDATED RESPONSE:

Under Study. DJJ has a corrective action plan in progress that includes reviewing the budget to determine the feasibility of hiring DJJ staff to transfer the function from the Public Safety Shared Service Center (PSSSC) to DJJ.

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- 7. The auditors recommend DJJ implement controls to ensure compliance with the State Records Act regarding the maintenance of supporting documentation for the postage meter balances.**

FINDING: *(Inadequate Control over Postage Inventory) - New*

DJJ did not have adequate control over postage inventory.

DJJ maintains postage meters in 13 locations. During testing, auditors noted DJJ did not maintain supporting documentation for the postage meter balances for 9 of 13 (69%) and 8 of 13 (62%) locations during FY21 and FY22, respectively.

DJJ officials indicated the exceptions noted were due to competing priorities and resource constraints.

Inadequate control over postage inventory may result in unnecessary costs to the State. (Finding Code No. 2022-007)

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department has established a Corrective Action Plan which includes working with staff to strengthen controls over maintaining records.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action plan that in progress that includes working with staff to maintain the required documentation for the postage inventory.

- 8. The auditors recommend DJJ ensure requirements related to the locally held fund administration, as set forth in the Directives, are followed, or update its Administrative Directives to reflect current procedures. Further, they recommend DJJ retain all necessary documentation regarding receipts, disbursements, and expenditures from the locally held funds.**

FINDING: *(Inadequate Controls over the Resident Trust Fund) – First reported 2008, last reported 2022*

DJJ did not maintain adequate controls over the Resident Trust Fund (Trust Fund).

During testing, auditors noted the following:

- Three of 36 (8%) disbursement tested, totaling \$72, from 1 of 3 (33%) Youth Centers (Chicago), DJJ could not provide adequate supporting documentation. Therefore, auditors could not ascertain correctness of transaction and if properly authorized by the Youth.

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- For 1 of 36 (3%) receipts tested, totaling \$11, from 1 of 3 (33%) Youth Centers (Chicago), DJJ was unable to provide sufficient supporting documentation to substantiate the amount collected was correct or determine the timeliness of deposit.
- For 1 of 36 (3%) receipts tested, from 1 of 3 (33%) Youth Centers (Chicago), the receipt was deposited 21 days from time it was received.
- For 1 of 8 (13%) outstanding checks that aged more than three months at 1 of 3 (33%) Youth Centers (St. Charles), a stop payment order was not issued.
- For 1 of 36 (3%) bank reconciling items (Deposit-in-transit and Outstanding Checks) tested at 1 of 3 (33%) Youth Centers (Chicago), DJJ could not provide adequate supporting documentation, therefore auditors were unable to determine the validity of the reconciling items.
- The Chicago Youth Center was not able to provide the list of Trust Fund adjustments in their accounting system (Fund Accounting and Commissary Trading System (FACTS)), therefore auditors were not able to verify if documentation was maintained to explain and justify the reason of the adjustments.
- During their three-day visit at Chicago Youth Center, auditors noted that there is no Daily Trust Fund Reconciliation performed. Upon inquiry, the Account Tech in-charge for reconciliation was on medical leave and there are no backup personnel assigned to perform the reconciliation.

This finding was first noted during the examination of the two years ended June 30, 2008. In subsequent years, DJJ has been unsuccessful in implementing a corrective action plan.

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

DJJ officials indicated the exceptions noted were due to understaffing.

It is important to properly administer locally held funds as they are not subject to appropriation and are held outside the State Treasury. In addition, failure to adequately administer locally held funds could lead to a failure to prevent or detect fraud, theft, unauthorized use, or insufficient funds. Further, inadequate administration of locally held funds also deters sufficient oversight, monitoring, and management's ability to identify and take timely corrective action when locally held funds are not operating as intended.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department would like to mention the errors were primarily due to IYC Chicago being understaff for FY'21-22. In September

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of 2022, the Department has since hired a Director of Human Resources, which will help increase and maintain staffing levels.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action plan in progress that includes updating Administrative Directives, reviewing Administrative Directives with applicable staff and maintaining all required documentation.

9. **The auditors recommend DJJ ensure requirements related to the locally held fund administration, as set forth in the Directives, are followed by Youth Center staff. Further, they recommend DJJ retain all necessary documentation in regard to receipts, disbursements, and expenditures from the locally held funds.**

FINDING: *(Inadequate Controls over the Employee and Resident Benefit Funds) – First reported 2008, last reported 2022*

DJJ did not maintain adequate controls over its Employee and Resident Benefit Funds.

During testing, auditors noted the following:

- For two of 36 (6%) disbursements tested under the Resident Benefit Fund, totaling \$769, from 1 of 3 (33%) Youth Centers (Chicago), DJJ could not provide supporting invoice. Therefore, auditors could not ascertain correctness of the transaction.
- For two of 36 (6%) disbursements tested under the Resident Benefit Fund, totaling \$638, from 2 of 3 (67%) Youth Centers (Chicago and Warrenville), has no supporting approval by the Resident Benefit Fund committee.
- For 2 of 20 (10%) disbursements tested under the Employee Benefit Fund, totaling \$458, from 1 of 3 (33%) Youth Centers (Chicago), DJJ could not provide adequate supporting documentation. Hence, auditors could not ascertain proper approval by all members of the Employee Benefit Fund Committee.
- One of three (33%) Center's tested (Chicago) did not provide the Schedule of Committee Members of the Employee Benefit Fund, thus, auditors cannot ascertain compliance of DJJ as set forth by the Directive.
- For six of 36 (17%) receipts tested, totaling \$398, from 1 of 3 (33%) Youth Centers (Chicago), DJJ could not provide adequate supporting documentation, so auditors were unable to substantiate the amounts collected were correct or determine the timeliness of deposit.

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This finding was first noted during the examination of the two years ended June 30, 2008. In subsequent years, DJJ has been unsuccessful in implementing a corrective action plan.

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

Department officials indicated the exceptions noted with the benefit funds were due to understaffing.

Failure to properly administer the Employee and Resident Benefit Funds could result in a breakdown of the authorization process and documentation of decisions and could lead to inappropriate expenditures not being prevented. Further, the failure to properly document and timely deposit receipts is noncompliance with the Directives and reduces the amount of cash available to pay current costs.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department would like to mention the errors were primarily due to understaffing at IYC Chicago for the FY'21-22. In September of 2022, The Department has since hired a Director of Human Resources, which will help increase and maintain staffing levels.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action plan in progress that includes updating Administrative Directives, reviewing Administrative Directives with applicable staff and maintaining all required documentation. Also, DJJ has added a monthly review process to review the required number of committee members for both EBF and RBF.

- 10. The auditors recommend DJJ ensure requirements related to the locally held fund administration, as set forth in the Directives, are followed by Youth Center staff. Further, they recommend DJJ retain all necessary documentation in regard to receipts, disbursements, and expenditures from the locally held funds.**

FINDING: *(Inadequate Controls over the Travel and Allowance Fund) – First reported 2008, last reported 2022*

DJJ did not maintain adequate controls over the Travel and Allowance Fund (Fund) at St. Charles Youth Center.

During testing, auditors noted there was an unreconciled variance of \$209 between balance per cash box and the general ledger account balance.

This finding was first noted during the examination of the two years ended June 30, 2008. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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DJJ officials indicated the exceptions noted were due to competing priorities.

Failure to follow the prescribed formal Directives could result in a breakdown of the authorization process and documentation of decisions and could lead to inappropriate expenditures not being prevented. Further, failure to retain appropriate documentation could lead to the improper use of State funds, property, or other assets, and resources.

DEPARTMENT RESPONSE:

The Department accepts the recommendation.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action plan in progress that includes updating Administrative Directives, reviewing Administrative Directives with applicable staff and maintaining all required documentation.

11. The auditors recommend DJJ maintain appropriate documentation and ensure requirements related to employee training as set forth in the Administrative Directive, and the Act, are followed by DJJ employees.

FINDING: *(Inadequate Controls over Employee Training) – First reported 2020, last reported 2022*

DJJ did not maintain adequate controls for the administration of employee training.

During testing, auditors noted the following:

- Three of 60 (5%) supporting documents for the required trainings were not provided for the employees sampled.
- Two of 10 (20%) newly hired employees tested did not complete the ethics training.
- Five of 10 (50%) newly hired employees completed the initial ethics training 14 to 85 days late from hiring date.
- Three of 10 (30%) newly hired employees tested did not complete the sexual harassment training program.
- Four of 10 (40%) newly hired employees completed the sexual harassment training program 33 to 85 days late from hiring date.
- One of 10 (10%) newly hired employees, who are non-security employees, completed the Pre-service Training 223 days late from hiring date.

DJJ officials indicated competing priorities and employee oversight were contributing factors to these exceptions.

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Failure to attend required trainings such as ethics training may reduce the effectiveness of implemented policies, such as Directives, and governmental oversight. Training is crucial to Department employees, especially to individuals who have direct contact with Youths.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department has established a Corrective Action Plan that will monitor staff's enrollment and completion of required training modules along with maintaining the required documentation.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action plan in progress that includes updating the onboarding of new employees and maintaining all required documentation.

- 12. The auditors recommend DJJ take action to establish its own Directives to reflect the General Assembly's policy to address the unique needs of the juvenile offender population.**

FINDING: *(Administrative Process Not Fully Segregated) – First reported 2008, last reported 2022*

DJJ still has not fully implemented its split from the Department of Corrections (DOC), which occurred over 16 years before the end of this examination period.

During testing, auditors noted DJJ's activities had not been segregated from the activities of the DOC. Since it was separated from the DOC, DJJ has been utilizing the Administrative Directives (Directives) originally established by DOC. The Directives established DJJ's operating policies and procedures to help ensure uniformity throughout DJJ. While DJJ has made some progress towards updating the Directives to reflect the Department's unique purpose and mission, several Directives require updating. The auditors noted 97 of 403 (24%) of DJJ's Directives have an effective date prior to the establishment of DJJ. In addition, 38 of 403 (9%) of DJJ's Directives have been effective or amended since the Department's separation from the DOC; however, the new and/or amended Directives are still DOC's or have DOC's headings and details.

This finding was first noted during the examination of the two years ended June 30, 2008. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials indicated these problems persist due to other competing priorities and resource constraints.

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Failure to fully implement the intent of the Code to segregate the Department from the DOC represents noncompliance with State law and hinders the operating effectiveness of the Department's internal control environment.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department maintains this Unit has made significant strides in updating the Administrative Directives in FY'21-22 and has a completion rate of 66.3% to date.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action plan in progress to update agency wide Administrative Directives. As of 06/01/23, 81.25% of Administrative Directives have been updated.

- 13. The auditors recommend DJJ follow the Code and the established Directive and hold management accountable for completing employee performance evaluations on a timely basis.**

FINDING: *(Inadequate Controls over Performance Evaluations) – First reported 2008, last reported 2022*

DJJ failed to conduct performance evaluations as required.

During testing, auditors noted the following:

- Seven of 60 (12%) employees tested were missing an annual performance evaluation document for FY21 and 6 of 60 (10%) employees tested were missing an annual performance evaluation document for FY22.
- Thirteen of 60 (22%) employees tested had evaluations administered between 2 and 254 days late for FY21 and four of 60 (7%) employees tested had evaluations administered between 10 and 14 days late for FY21.

This finding was first noted during the examination of the two years ended June 30, 2008. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials attributed the issues noted to employee turnover and staffing shortages.

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

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evaluations support administrative personnel decisions by documenting regular performance measures. Late evaluations could cause delays in communicating positive and negative qualities of the employee's work performance.

DEPARTMENT RESPONSE:

The Department accepts the recommendation.

UPDATED RESPONSE:

Implemented. DJJ's newly hired HR Director has established a tracking system and sends monthly reminders to Supervisors to timely complete the performance evaluations.

- 14. The auditors recommend DJJ appoint a Chief Internal Auditor and ensure a full- time program of internal auditing is in place and functioning, and to perform audits of major systems of internal accounting and administrative controls on a periodic basis, as required by the Act.**

FINDING: *(Noncompliance with the Fiscal Control and Internal Auditing Act) – First reported 2012, last reported 2022*

DJJ did not adhere to provisions of the Fiscal Control and Internal Auditing Act (Act).

During testing, auditors noted the following:

- The Chief Internal Auditor position has remained vacant since January 1, 2017.
- In the FY22 audit plan, the Office of Internal Audit (OIA) proposed seven headcounts, however the OIA currently has one auditor.
- In the FY22 audit plan, auditors noted there are allocated hours for audits of major system of internal accounting and administrative controls, however, there was no audit report provided showing the completion of the audits.

This finding was first noted during the examination of the two years ended June 30, 2012. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials indicated the exceptions noted were due to lack of available qualified staff.

Failure to establish an internal audit program in accordance with the requirements of the Act where the internal audit function develops a deep understanding of the Department's functions and processes, performs audits of the Department's major systems of internal accounting and administrative controls on a periodic basis, and reviews major new

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changes and modifications to information systems prior to implementation, and submits a written report by September 30 to the Director detailing how the audit plan for that year was carried out, represents noncompliance with State law and weakens the Department's ability to assess its overall internal control environment.

DEPARTMENT RESPONSE:

The Department accepts the recommendation.

UPDATED RESPONSE:

Under Study. DJJ has a corrective action in progress to review the budget to hire a Chief Internal Auditor and maintain current staff to ensure a full-time program of internal auditing (including audits of major systems) is in place and functioning.

- 15. The auditors recommend DJJ submit vehicle accident reports timely and complete Uniform Cover Letters and Form SR-1s properly. They also recommend DJJ enforce vehicle maintenance schedules to reduce future year expenditures for repairs and to extend the useful lives of vehicles.**

FINDING: *(Policies and Procedures Regarding Operation of State Vehicles Not Followed)*
– First reported 2008, last reported 2022

DJJ did not maintain adequate documentation and control over its state vehicles' maintenance records, and vehicle accidents during the examination period.

During the testing of vehicle accident reports, auditors noted for 1 of 5 (20%) reported accidents tested involving the Department's vehicles, the accident was not reported to CMS.

During the testing of vehicle maintenance records, auditors noted the following:

- Three of 28 (11%) vehicles tested did not receive routine oil changes on a timely basis.
- Three of 28 (11%) vehicles tested did not receive oil changes during the examination period.

This finding was first noted during the examination of the two years ended June 30, 2008. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials indicated the exceptions noted were due to employee oversight and limited staffing resources.

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Untimely submission or failure to maintain and track submission of the forms for vehicle accidents could lead to unclear facts and make it more difficult to follow up on any possible liability to the Department or the State of Illinois. In addition, failure to timely complete and submit accident reports represents noncompliance with the Code and risks the Department forfeiting coverage under the State's auto liability plan. Failure to perform regular maintenance on State vehicles could result in more significant expenditures related to the repair or replacement of the vehicles.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department would like to note we have made significant improvements in this area and hired a Property Control Manager in June of 2022.

UPDATED RESPONSE:

Partially implemented. DJJ has a corrective action plan in progress that includes working with staff on requirements of completing the forms, maintaining documentation and the timely submission of documentation as outlined in the Administrative Directives.

16. The auditors recommend DJJ maintain CODs and timely complete monthly Contracts and Obligation Reconciliations Report.

FINDING: *(Inadequate Controls over Contractual Agreements) – First reported 2018, last reported 2022*

DJJ did not have adequate controls over contractual agreements.

During testing, auditors noted the following:

- One of 18 (6%) contractual agreements tested was missing a Contract Obligation Document (COD).
- One of 32 (3%) monthly Contracts and Obligation Reconciliation Reports for Fiscal FY21 was completed 27 days late.

This finding was first noted during the examination of the two years ended June 30, 2018. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials indicated the issues noted were due to employee oversight, competing priorities, and lack of resources.

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Failure to maintain adequate controls over contracts by the Department may result in a lack of accountability or impact the Departments ability or effectiveness to carry out part of their administrative and operational duties.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department would like to note the very small error rate and that we have made significant strides in this area. Under the Public Safety Shared Service Center (PSSSC) Agreement, the Department relies on PSSSC to file the Contract and Obligation Reconciliation Reports.

UPDATED RESPONSE:

Implemented. DJJ implemented a corrective action plan that included establishing a central storage location to maintain the Contract Obligation Documents (COD's) and also added a monthly review to verify the he timeliness of the Contract and Obligation Reconciliation Reports.

17. The auditors recommend DJJ strengthen controls over initiating and monitoring IGAs.

FINDING: *(Inadequate Controls over the Administration of Interagency Agreements) – First reported 2016, last reported 2022*

DJJ did not have adequate controls over interagency agreements. DJJ had no existing policies and procedures for initiating and monitoring interagency agreements (IGAs).

During their testing of IGAs, auditors noted the following:

- Three of 7 (43%) interagency agreements tested were not terminated when they were no longer enforceable or applicable.
- The Department has not yet executed an Interagency Agreement in accordance with the Children and Family Services Act (Act) (20 ILCS 505/43).

This finding was first noted during the examination of the two years ended June 30, 2016. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials indicated the issues noted were due to competing priorities and lack of resources.

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Failure to maintain adequate controls over interagency agreements by the Department may result in a lack of accountability or impact the Department's ability or effectiveness to carry out part of their administrative and operational duties.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department has established a Corrective Action Plan and will work with staff to ensure the interagency agreements adequately maintained and established when needed.

UPDATED RESPONSE:

Partially implemented. DJJ has a corrective action plan in progress that includes establishing a written policy to initiate and monitor all interagency agreements.

- 18. The auditors recommend DJJ timely complete the SERS annual reconciliation process of its active members' census data from its underlying records to a report of the census data submitted to each plan's actuary.**

FINDING: *(Inadequate Internal Controls over Census Data) - New*

DJJ did not timely complete a census data reconciliation to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate.

During testing, auditors noted the Department did not timely perform an initial complete reconciliation of its census data recorded by SERS to its internal records to establish a base year of complete and accurate census data. The reconciliation was submitted in parts from January 2022 and completed on May 12, 2022, 41 days after the approved extended deadline of April 1, 2022 (original deadline was September 1, 2021).

In addition, they were not able to review the supporting documentation used to perform the reconciliation for the year-to-date earnings and service credits.

DJJ officials indicated inadequate staffing resulted in the delay of the reconciliation.

Failure to timely reconcile active members' census data reported to and held by SERS to the Department's records could result in each plan's actuary relying on incomplete or inaccurate census data in the calculation of the State's pension and OPEB balances, which may result in a misstatement of these amounts.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. In September of 2022, the Department has hired a Director of Human Resources and will work to transfer this function to the Department as part of the established Corrective Action Plan.

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UPDATED RESPONSE:

Partially implemented. DJJ has a corrective action plan in progress that includes working with PSSSC to transfer the reconciliation responsibilities to DJJ staff.

- 19. The auditors recommend DJJ ensure the requirements related to discipline, as set forth by the Code, are known and followed by all Youth Center staff. Further, they recommend DJJ adopt controls to provide assurance proper documentation is maintained for all Youth discipline reports and procedures.**

FINDING: *(Inadequate Administration of Discipline Policies) – First reported 2014, last reported 2022*

DJJ failed to maintain adequate administration of discipline policies at the Youth Centers.

During testing of the Department's administration of discipline policies, auditors noted the following:

- For 18 of 40 (45%) disciplinary tickets tested from five Youth Centers (Chicago, Harrisburg, Pere Marquette, St. Charles and Warrenville), Notice of Disciplinary Decision (DJJ 0545) was approved by the Chief Administrative Officer (CAO) 1 to 13 days late after completion of the Adjustment Committee Summary and Recommendations (DJJ 0544).
- For 3 of 40 (8%) disciplinary tickets tested from one Youth Center (Chicago), Notice of Disciplinary Hearing (DJJ 0543) was served more than 12 hours after completion of the Behavior Report (DJJ 0541).
- For 1 of 40 (3%) disciplinary tickets tested from one Youth Center (St. Charles), a DJJ 0543 was not properly completed. The form was missing information on the date and time it was prepared. In addition, the DJJ 0543 form had no signature of the Youth as evidence the form was served to the Youth.
- For 4 of 40 (10%) disciplinary tickets tested from one Youth Center (Chicago), DJJ was unable to provide the DJJ 0545 form. As a result, auditors were unable to determine if the form was approved by the CAO and signed by the Youth.
- For 1 of 40 (3%) disciplinary tickets tested from one Youth Center (Chicago), DJJ was unable to provide the DJJ 0541 form, therefore auditors were unable to determine the existence of the report. In addition, for 1 of 40 (3%) tickets tested from one Youth Center (St. Charles), no time and date were recorded on the DJJ 0541 form, therefore, auditors were unable to determine the timeliness of the preparation and submission of the report.
- For 1 of 40 (3%) disciplinary tickets tested from one Youth Center (Chicago), the DJJ 0545 form was not signed by the Youth.

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This finding was first noted during the examination of the two years ended June 30, 2014. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials indicated the exceptions were due to competing priorities.

Failure to properly complete and maintain records of Youth discipline represent noncompliance with the Code and Act and could lead to the imposition of improper discipline upon Youths.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department would like to note the very small error rate and we have made significant improvements in this area.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action in progress that includes updating the Administrative Directive, reviewing the updated requirements with staff and establishing a monthly review process to review the required documentation.

20. The auditors recommend DJJ strengthen procedures to ensure all required reports are timely submitted to the Governor and General Assembly and all required elements are included in the reports.

FINDING: *(Required Reports did not Contain Required Elements) – First reported 2018, last reported 2022*

DJJ did not properly complete and submit annual and quarterly reports to the Governor and General Assembly.

During testing, auditors noted the following:

- The Department did not timely submit its 2020 and 2021 Annual Reports to the Governor and General Assembly. The 2020 and 2021 reports were submitted 60 and 332 days late, respectively.
- 7 of 8 (88%) quarterly reports were submitted to the Governor and General Assembly 13 to 424 days late. For the remaining one quarterly report (12%), the Department could not provide documentation indicating when the report was filed with the Governor and General Assembly.

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- Eight of 8 (100%) quarterly reports did not have the required information such as the number of reported youth sexual aggression towards staff and number of staff injuries resulting from youth violence at each facility.

This finding was first noted during the examination of the two years ended June 30, 2018. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials indicated the exceptions noted were due to competing priorities.

Failure to timely submit and include all the required information is noncompliance with the Code and limits oversight from the Governor and the General Assembly.

DEPARTMENT RESPONSE:

The Department accepts the recommendation.

UPDATED RESPONSE:

Implemented. DJJ has completed a corrective action plan that included updates to the current system of capturing all the required elements for the reports and to file the reports timely.

- 21. The auditors recommend DJJ ensure the county board and sheriffs are notified of noncompliance findings that result from DJJ's inspections of juvenile detention facilities.**

FINDING: *(Noncompliance with the Unified Code of Corrections Regarding Inspections of Juvenile Detention Facilities) – First reported 2016, last reported 2022*

DJJ failed to maintain documentation that notices of noncompliance findings that resulted from the Department's inspections of juvenile detention facilities were provided to the county sheriffs.

During the testing of inspection reports (reports) of juvenile detention facilities, auditors noted the following:

- 8 of 16 (50%) reports were provided during testing and results indicated all the areas were examined. However, it could not be determined if proper notifications were made to the county board and sheriffs.
- 5 of 16 (31%) locations tested were not inspected during the FY21.
- 5 of 16 (31%) locations tested during the FY21 did not explain further the

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noncompliance issues noted.

- 2 of 16 (13%) locations tested during the FY21 did not have copies of inspection reports.

This finding was first noted during the examination of the two years ended June 30, 2016. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

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

DJJ officials indicated the exceptions noted were due to staff turnover and the pandemic.

Failure of the Department to notify the county board and sheriff of noncompliance findings resulting from inspections by the Department of juvenile detention facilities is noncompliance with the Code and could result in juvenile detention facilities not complying with the Department's procedures for the provision of mental health and developmental disability services. Further, failure to provide notice to the county board and sheriff may limit the Department's ability to petition a court to order compliance if the noncompliance continues to occur six months after notice is provided to the county board and sheriff as noted in the Code.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. In August of 2021, the Department recently hired a Chief of Performance and Innovation and has established a corrective action plan and has a completion rate of 100% to date.

UPDATED RESPONSE:

Implemented. DJJ completed a corrective action plan that included notifying the county boards and sheriffs of the noncompliance findings and establishing a centralized storage location to maintain the documentation.

22. The auditors recommend DJJ:

- **Perform a detailed assessment to determine if any of the unused or missing IT equipment contained confidential information.**
- **Review current practices to determine if enhancements can be implemented to prevent the theft or loss of IT equipment.**
- **Establish procedures to immediately notify security personnel of any missing or stolen IT equipment to allow them to assess if a computer may have contained confidential information, and document the results of the assessment.**
- **Ensure all confidential information is protected with methods such as encryption or redaction.**

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- **Ensure all data is properly and timely removed from unused IT equipment.**

FINDING: (*Weaknesses Regarding Security and Control of Confidential Information*)
– *First reported 2014, last reported 2022*

DJJ had weaknesses related to the security and control of personal and confidential information.

In order to carry out its mission, DJJ maintains several computer systems which contain confidential or personal information, such as names, addresses, and Social Security numbers. In addition, the Department maintains protected health information that is considered confidential and required to be protected under the Health Insurance Portability and Accountability Act (HIPAA).

The auditors noted DJJ failed to protect personal, medical, and confidential information on all Information Technology (IT) equipment. Specifically, during their testing at the Department's Youth Centers, auditors noted a significant amount of IT equipment sitting in condemned/uninhabitable and working buildings, from which the data had not been removed. In addition, DJJ's FY21 and FY22 Certification of Inventory, documented missing equipment, including 72 PCs/laptops totaling \$41,633 and 144 PCs/laptops, totaling \$118,738, respectively.

They also noted DJJ had not conducted an assessment to determine the confidentiality of the data or provided documentation to support the appropriate removal of confidential data or use of encryption on the stored or missing IT equipment. As a result, auditors were unable to determine if any notifications were required.

This finding was first noted during the examination of the two years ended June 30, 2014. In subsequent years, the Department has been unsuccessful in implementing a corrective action plan.

DJJ management indicated the lack of staffing and resources contributed to the weaknesses.

Failure to maintain adequate internal controls could result in the accidental or unauthorized disclosure of confidential data.

DEPARTMENT RESPONSE:

The Department accepts the recommendation.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action plan in progress that includes performing a detailed assessment of unused or missing IT equipment, ensure all confidential information is protected by encryption or redaction and ensure all data is property and timely removed from unused IT equipment.

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23. The auditors recommend DJJ strengthen controls to ensure Aftercare facility staff properly complete and retain the required documentation relating to Youth releases.

FINDING: *(Noncompliance with the Unified Code of Corrections Regarding Youth Releases) - New*

DJJ did not adhere to provisions of the Unified Code of Corrections (Code).

During testing, auditors noted the following:

- Seven of 40 (18%) samples tested of Youth releases did not have the supporting Youth's Condition of Aftercare Release form (Form) on file. These exceptions were noted in Belleville and Springfield Aftercare facilities.
- Of the remaining 33 Forms on file, auditors noted 2 Forms (6%) were not signed by the Youth. These exceptions were noted at Springfield Aftercare facility.

DJJ officials indicated inadequate staff transition resulted in the exceptions noted.

Failure to ensure documentation is maintained and complete upon the release of the Youth represents noncompliance with the Code.

DEPARTMENT RESPONSE:

The Department accepts the recommendation.

UPDATED RESPONSE:

Implemented. DJJ completed a corrective action plan that included a reviewing the Aftercare Administrative Directives with staff and adding a monthly review process to review completed forms.

24. The auditors recommend DJJ determine and document if a review of controls is required. If required, DJJ should:

- Obtain SOC reports (or perform independent reviews) of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the Department's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the usage of the subservice organizations would not impact the Department's internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action

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plan exists and when it will be implemented, any impacts to the Department, and any compensating controls.

FINDING: *(Lack of Adequate Controls over the Review of Internal Controls over Service Providers) – First reported 2020, last reported 2022*

DJJ did not obtain or conduct timely independent internal control reviews over its service providers.

Auditors requested DJJ provide the population of service providers utilized in order to determine if DJJ had reviewed the internal controls over the service providers. In response to the auditors' request, DJJ provided a listing of eight service providers utilized during the examination period.

DJJ utilized these service providers to provide:

- Hosting of its servers and application systems, maintenance of network and infrastructure, and security administration of user access.
- Hosting of a cloud-based major application.
- Development of an electronic medical health system and its maintenance.
- Provision of hardware that would run an educational system for the youth offenders.

During testing of the eight service providers, auditors noted DJJ:

- Did not obtain System and Organization Control (SOC) reports or conduct independent internal control reviews for all of its service providers.
- Did not conduct an analysis of the SOC reports to determine the impact of the modified opinions or the noted deviations.
- Had not conducted an analysis of the Complementary User Entity Controls (CUECs) documented in the SOC reports.

DJJ 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.

DJJ management indicated they depended on DoIT for the review of SOC reports. However, DJJ was not provided a copy of the review.

Without having obtained and reviewed a SOC report or another form of independent internal controls review, the Department does not have assurance the service providers' internal controls are adequate. (Finding Code No. 2022-024, 2020-024)

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department would like to mention that staff is working internally and with DoIT to improve its accountability and controls over

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service providers. DJJ established a Corrective Action Plan that includes compiling a list of external service providers, obtaining the SOC Reports, and reviewing the SOC Reports for internal control deficiencies.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action plan in progress that includes obtaining and reviewing all required Service Organization Control (SOC) Reports and documentation the results of the review.

- 25. The auditors recommend DJJ strengthen controls to ensure Youth Center staff properly complete and retain the required documentation relating to Youth releases.**

FINDING: *(Inadequate Controls over Release Documents) - New*

DJJ failed to maintain accurate and complete documentation upon the release of Youths.

During testing, auditors noted the following:

- For 32 of 40 (80%) Youth tested from five Youth Centers, documentation showing DJJ verified the Youth's social security number was not provided. These exceptions were noted at Chicago, Harrisburg, Pere Marquette, and St. Charles Youth Centers.
- Three of 40 (8%) Youth Count Adjustment forms (DJJ 0194) tested from five Youth Centers were not properly completed. In one instance, auditors were not able to determine whether HIV Testing & Counseling was offered upon release of the Youth; one DJJ 0194 was missing the signature of the Records Officer; and one DJJ 0194 was missing the signatures of the Records Officer and the Field Service Representative. These exceptions were noted at the Chicago Youth Center.

DJJ officials indicated the documentation was not properly maintained due to oversight and staff turnover.

Failure to ensure documentation is complete upon the release of Youths represents noncompliance with the Code.

DEPARTMENT RESPONSE:

The Department accepts the recommendation to strength control over the youth's release documents.

UPDATED RESPONSE:

Partially Implemented. DJJ has a corrective action plan in progress that includes updating the procedures of youth releases and adding a monthly review of the documents.

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Emergency Purchases

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

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

A chief procurement officer making such emergency purchases is required to file a statement with the Procurement Policy Board and the Auditor General to set forth the circumstance requiring the emergency purchase. The Legislative Audit Commission receives quarterly reports of all emergency purchases from the Office of the Auditor General. The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

DJJ did not have any significant emergency purchases.

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 2022, DJJ had 58 employees assigned to locations others than official headquarters.