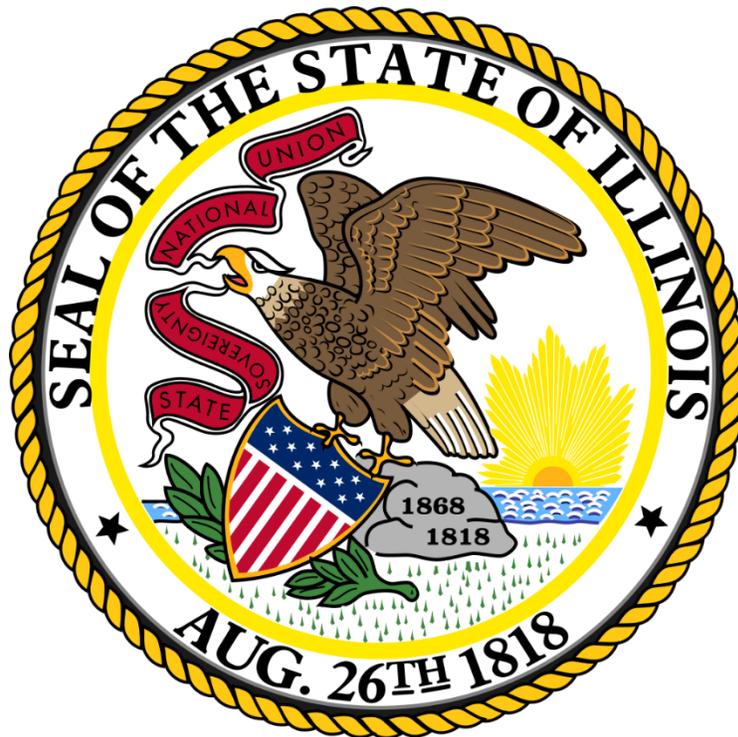


# LEGISLATIVE AUDIT COMMISSION



Review of  
Department of Juvenile Justice  
Two Years Ended June 30, 2020

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

**REVIEW #4533: Department of Juvenile Justice – FY19-FY20 Compliance Examination**

**REVIEW #4533:  
DEPARTMENT OF JUVENILE JUSTICE  
TWO YEARS ENDED JUNE 30, 2020**

**FINDINGS/RECOMMENDATIONS – 25  
PARTIALLY IMPLEMENTED – 20  
IMPLEMENTED – 4  
ACCEPTED – All but #3**

**REPEATED RECOMMENDATIONS – 21  
PRIOR AUDIT FINDINGS/RECOMMENDATIONS – 21**

This review summarizes the auditors' report on the Department of Juvenile Justice (DJJ) for the two years ended June 30, 2020, filed with the Legislative Audit Commission on June 30, 2021. The auditors conducted a compliance examination in accordance with state law and Government Auditing Standards.

The Unified Code of Corrections created the Department of Juvenile Justice effective June 1, 2006. The mission of the DJJ is to build youth skills and strengthen families to promote community safety and positive youth outcomes.

DJJ operates four male youth centers and one male and female youth center. Programming services and activities provided to youth at the Youth Centers include (numbers in FY20):

- clinical services;
- mental health services (247 youths enrolled in treatment);
- substance abuse programs (45 youth enrolled in treatment);
- leisure time activities;
- volunteer programs; and
- chaplaincy services.

The School District provides academic (145 online) and vocational training programs (36) to youth housed at Illinois Youth Centers (IYCs). 110 youth awarded GEDs and diplomas in FY20.

The Aftercare Program is responsible for community supervision upon the release of all youth in DJJ's custody. The program began in April 2015 and provides case management services for the youth and their families. It provides an array of services for the youth from commitment to DJJ through intake and assignment to a youth host facility to entry back into the community.

Heidi Mueller is the current Director, 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.

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**Program Goals & Objectives (According to Public Accountability Report)**

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 18	FY19	FY20
Education spending per capita	\$18,400	\$26,500	\$35,800
Aftercare services spending per capita	\$28,900	\$22,100	\$24,600
Youth enrolled in Aftercare	475	545	559
% of youth incarcerated within 3 years	52.1%	33.7%	37%

The average number of full-time employees at the years indicated was as follows (p. 99 compliance):

	FY18	FY19	FY20
General Office	23	25	26
School District #428	70	80	74
After Care Services	62	61	66
Youth Centers	717	720	732
<b>TOTAL</b>	<b>872</b>	<b>886</b>	<b>898</b>

The value of overtime hours and compensatory hours paid department-wide was \$4.6 million in FY20 compared to \$6.6 million in FY19. (p. 105 compliance)

**Population and Average Cost Per Resident**

According to statistics provided by DJJ, the average daily population of the Youth Centers was 383 in FY18 and 291 in FY19 compared to 210 in FY20. In FY20, Pere Marquette had the lowest average population with 18 youth, and Harrisburg had the highest average population with 74 youth. The rated capacity for all Centers at June 30, 2020 was 896, so the Centers were under capacity by 686. (pp. 100-101 compliance)

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

- Maximum IYC Warrenville (male and female)
- Medium IYC Chicago (male)

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	IYC St. Charles (male)
	IYC Harrisburg (male)
Minimum	IYC Pere Marquette (male)

The average yearly cost per resident at the Youth Centers was \$395,362 in FY20 with a high at Warrenville of \$484,738 per youth compared to a low of \$295,450 per youth at Harrisburg. (p. 100-101 compliance)

In FY18 there were 276 youth assaults on staff compared to 295 in FY19 and 185 in FY20. In FY19 and FY20, the highest number of assaults on staff were committed at the St. Charles Youth Center with 92 assaults and 76 assaults, respectively. (p. 106 compliance)

The DJJ has approp. authority from the following funds:

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

### **Appropriations and Expenditures**

For FY19 and FY20, DJJ was appropriated approximately \$124.8 million each year. Total expenditures were \$114.9 million in FY19 compared to \$107.2 million in FY20, a decrease of almost \$7.8 million, or about 6.8%. Expenditures at all Youth Centers totaled \$76.6 million in FY19 compared to \$78.7 million in FY20. Lapse period expenditures totaled almost \$17.7 million for FY20, or 16.5% of total expenditures. (p. 71, 72 and 75 compliance)

### **Cash Receipts**

Total cash receipts decreased from approximately \$2.7 million in FY19 to about \$1.7 million in FY20, principally due to a decrease in funds from the ISBE because of the number of meals served decreased, which lessens those that are eligible for reimbursement.

### **Changes in Property**

The balance at the end of FY19 for property and capital leases was \$148.6 million compared to \$150.4 million at the end of FY20. (p. 84-85 compliance)

### **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

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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.

Per the Department's records, there was one emergency procurement filed totaling \$13,138 for water pumps that needed replaced in the St. Charles Youth Center. (p. 102 compliance)

### **Emergency Purchases Under the Gubernatorial COVID-19 Disaster Proclamations**

The Governor, in response to the COVID-19 pandemic, issued sequential Gubernatorial Disaster Proclamations from March 12, 2020, through June 30, 2020. These proclamations allowed ISP to waive the requirements of the Illinois Procurement Code to the extent the requirement (1) would have, in any way, prevented, hindered, or delayed necessary action to cope with the COVID-19 pandemic and (2) was not required by federal law. The following procurements were all processed under this waiver granted by the Governor.

Per DJJ's records, three emergency purchases related to the COVID-19 pandemic were filed in the two year period totaling \$346,790. (p. 107 compliance)

- Emergency purchase for Personal Protective Equipment (PPE) including masks, face shields, hand sanitizer, and thermometers totaled \$298,987.
- Emergency procurement of cleaning services to disinfect areas used by individuals who tested positive for COVID-19. This deep cleaning cost \$12,916.

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- Emergency purchase to acquire additional PPE including gloves for \$34,887.

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

Condensed below are the 25 findings and recommendations included in the audit report. Of these, twenty-one are repeated from the previous audit. The following recommendations are classified on the basis of information provided by DJJ, via electronic mail received June 30, 2021.

- 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, DJJ should ensure all property transactions are accurately and timely recorded on DJJ's property records.**

#### **FINDING:** *(Inadequate Controls over State Property)*

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

DJJ did not timely and accurately enter transactions into the property control system. We noted equipment purchases/additions were not being timely entered. Auditors also noted addition and deletion reports could not be agreed to activity reported in the Agency Report of State Property (Form C-15) reported to the Comptroller. As a result, auditors were unable to reconcile the DJJ-wide Form C-15s to the Comptroller's Object/Expenditures by Quarter Reports (SA02). The unreconciled differences totaled (\$379,470) and \$587,496 in FY19 and FY20, respectively.

Auditors also noted the Department does not have a policy clearly delineating the categories of equipment considered subject to theft.

Even given the population limitations noted above, which hindered our ability to conclude whether the selected sample was representative of the population as a whole, we selected a sample of items from the property listing provided by the Department and performed testing.

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.

During testing, auditors noted the following:

- DJJ's property control listing did not accurately report equipment locations and location codes.

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- Items were still being reported on the property listing at closed Youth Centers (IYC) and Aftercare Centers (AC), including 13 equipment items, totaling \$7,668, under AC Washington Cottage; 113 equipment items, totaling \$29,680, under AC Chicago Healy; 477 equipment items, totaling \$189,284, under IYC Kewanee; 130 equipment items, totaling \$29,160, under IYC Murphysboro; and 1,038 equipment items, totaling \$229,562, 55 buildings, totaling \$29,825,386, and 160 acres of land, totaling \$573,103, under IYC Joliet. These closed Youth Centers reopened as facilities under the Department of Corrections.
- Although there were eight aftercare locations throughout the State, the property listing only contained two location codes: Springfield and Chicago.
- Items at different locations utilized the same location code used by the Director's Offices.
- Eleven of 17 (65%) equipment items selected from the property listing, totaling \$68,109, were not found because the location codes in the property records did not reflect the actual location. These exceptions were noted during the scheduled visit to the Director's Office in Springfield.
- Five of 60 (8%) equipment items selected from the property listing, totaling \$929,049, were unable to be located. These exceptions were noted at Chicago and St. Charles Youth Centers.
- Fourteen of 77 (18%) equipment items selected from the property listing, totaling \$246,186, had missing tag numbers. These exceptions were noted at the Director's Office in Chicago, Pere Marquette, St. Charles, and Warrenville Youth Centers and Chicago Heights, Field Services – Chicago, Peoria, and Rockford Aftercare Centers.
- For two of 17 (12%) equipment items selected from the property listing, totaling \$983, DJJ did not use a sequentially numbered tag and instead used tape and marker to tag the property.
- For three of 90 (3%) equipment items selected from various locations throughout DJJ, the tag number or location code did not match property records. These exceptions were noted at the Director's Office in Chicago, Chicago Field Services, and Peoria Aftercare Center.
- Thirty-seven of 90 (41%) equipment items selected from various locations throughout DJJ were physically found, but not reported on property records. These exceptions were noted at both Director's Office in Springfield and Chicago and at all of the Illinois Youth Centers and Aftercare Centers tested.
- During property testing of 9 additions, auditors noted the following:

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- DJJ failed to add three (33%) equipment additions tested, totaling \$24,833, to the property records in a timely manner.
- During property testing of 60 deletions, auditors noted the following:
  - DJJ failed to provide adequate supporting documentation, for thirty-three (55%) deletions tested, totaling \$114,194, to substantiate whether the deletion was properly approved, reported to CMS, and timely removed from DJJ's property records.
  - One (2%) deletion tested, totaling \$31,836, was missing the required Request for Change of Status of Equipment (DJJ 0013).
  - One (2%) deletion tested, totaling \$9,034, was removed from inventory listing 71 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 471 items (14% of the total amount of inventoried items over \$500 and all high theft equipment items) as unable to be located in FY19, and 1,015 items (7.05% of all the total inventoried items) as unable to be located in FY20.
  - DJJ noted multiple items, totaling \$1,006,039, as discrepancies on both the FY19 and FY20 annual certifications to CMS due to untimely processing.
  - DJJ inaccurately reported inventory balance as of FY20 in their Certification of Inventory for closed Youth Center: IYC Joliet of \$258, instead of \$30,759,265, as reported in the FY20 Agency Inventory Summary.
  - DJJ reported inventory balances as of FY19 and FY20 in their Certification of Inventory for closed Youth Centers; IYC Joliet had a total inventory of \$30,754,402 in the FY19 Certification of Inventory; IYC Murphysboro had a total inventory of \$13,851 in the FY20 Certification of Inventory; and IYC Kewanee had a total inventory of \$258 in the FY20 Certification of Inventory. These closed Youth Centers reopened as facilities under the Department of Corrections.
- For 4 of 5 (80%) lease agreements tested, DJJ failed to provide Accounting Leases-Lessee forms to support the recorded amounts and terms of leases. In addition, 5 of 5 (100%) lease agreements tested had no supporting documentation classifying the leases as capital or operating lease.

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- DJJ did not properly maintain its property. Auditors observed one Youth Center (St. Charles) had 12 unused, condemned, or worn-down buildings in need of repairs, demolition, or significant improvements.

During both the prior and current examinations, DJJ officials stated property control weaknesses were due to understaffing, lack of funds, and high employee turnover rates.

Without DJJ providing complete and adequate documentation to enable testing, auditors were unable to complete procedures and provide useful and relevant feedback to the General Assembly regarding DJJ's property. Furthermore, 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.

### **RESPONSE:**

DJJ accepts the recommendation. Under the Public Safety Shared Services Center (PSSSC) Agreement, DJJ relies on the PSSSC to perform many of these functions. The PSSSC has been understaffed for the last several years. DJJ has established a Corrective Action Plan and will work with PSSSC and DJJ employees to strengthen its controls over maintaining, records and reporting state property. DJJ maintains that fiscal limitations have a direct impact on DJJ's ability to fully segregate from PSSSC and establish itself as a stand-alone agency.

### **UPDATED RESPONSE:**

Partially Implemented. DJJ has a corrective action plan (CAP) that includes updating Administrative Directives & Forms, training staff on multiple areas of inventory including the three closed facilities (IYC Joliet, IYC Kewanee and IYC Murphysboro), and adding tracking software. DJJ is also reviewing the feasibility of hiring a Property Control Manager in FY'22 to perform these functions and to establish a standalone agency. The CAP has been partially implemented.

- 2. The auditors recommend DJJ retain all vouchers and adequate supporting documentation. They also recommend DJJ timely approve vouchers and ensure the receipt date is properly documented.**

### **FINDING:** *(Inadequate Controls over Voucher Processing)*

During sample testing of 160 vouchers, auditors noted the following:

- For 49 (31%) vouchers tested, totaling \$1,814,138, the invoice was approved more than 30 days after receipt of the bill. The invoices were approved 1 to 232 days late.

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- For 2 (1%) vouchers tested, totaling \$11,717, the voucher did not include documentation it was properly approved by the agency head or authorized designee.
- For 41 (26%) vouchers tested, totaling \$741,369, the required interest was not vouchered and submitted to the Office of the State Comptroller.
- For 2 (1%) vouchers tested, totaling \$30,485, the related invoices were not date stamped when received by the Department. As a result, we could not determine if the vouchers were approved timely or if interest were due to the vendor.
- For 22 (14%) vouchers tested, totaling \$1,377,986, insufficient documents were provided to determine whether the payments were proper.
- For 30 (19%) vouchers tested, totaling \$2,683,039, no documentation was provided so we were not able to determine whether the payments were proper.
- For 6 (4%) vouchers tested, totaling \$74,273, the newly acquired equipment was not found in the property listing of the fiscal year when it was purchased.
- For 1 (0.6%) voucher tested, totaling \$1,800, supporting documentation did not provide needed vehicle details. During our sample testing of 65 payroll vouchers, we noted the following:
  - For 18 (28%) payroll vouchers tested, totaling \$7,103,628, the voucher did not have documentation that it was properly approved by the agency head or authorized designee.

During our sample testing of 35 travel vouchers, we noted the following:

- For 8 (23%) travel vouchers tested, totaling \$3,420, the voucher was approved more than 30 days after receipt of the bill.
- For 3 (9%) travel vouchers tested, totaling \$743, the Department could not provide documentation of approval by the agency head or authorized designee.
- For 6 (17%) travel vouchers tested, totaling \$2,167, the related invoices were not date-stamped when received by the Department. As a result, we could not determine if the vouchers were approved timely or if interest were due to the vendor.
- For 8 (23%) travel vouchers tested, totaling \$3,904, reimbursement requests were received by Fiscal Operations later than the 30th of the next month after the trip took place, ranging from 2 to 86 days late.
- For 5 (14%) travel vouchers tested, totaling \$1,912, insufficient documents were provided to determine whether the payments were proper.

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- For 8 (23%) travel vouchers tested, totaling \$6,212, no documentation was provided so we could not determine whether the payments were proper.

During both the prior and current examinations, DJJ officials stated the issues noted were mainly due to conflicting priorities, oversight, and changes in staffing.

### **RESPONSE:**

DJJ accepts the recommendation.

### **UPDATED RESPONSE:**

Partially Implemented. DJJ has a corrective action plan (CAP) that includes training staff on required documentation, updating administrative directives, sending email reminders on completing previous monthly vouchers & prompt pay interest and obtaining ERP software. Also, DJJ is reviewing the feasibility of hiring staff to perform these functions and to establish a stand alone agency. The CAP has been partially implemented.

- 3. The auditors recommend DJJ comply with the Act and take appropriate action to ensure required employees file economic interest statements with the Secretary of State.**

### **FINDING:** *(Inadequate Controls over Economic Interest Statements)*

DJJ failed to maintain adequate records substantiating the population of employees required to file economic interest statements during the examination period.

During testing, auditors requested DJJ provide the population of employees required to file economic interest statements to test compliance with provisions of the Illinois Governmental Ethics Act (Act). In response to our request, DJJ provided a listing of employees required to file economic interest statements during the examination period. Auditors noted one employee during FY19 and one employee during FY20 filed economic interest statements with the Secretary of State but did not appear on DJJ's list.

Even given the population limitations noted above, which hindered the ability to conclude whether the selected sample was representative of the population as a whole, auditors selected a sample of items from the economic interest statement listing provided by DJJ and the listing on the Secretary of State website and performed testing.

During the prior examination, DJJ officials stated there was some misunderstanding in certain areas of DJJ of the requirements to file an economic interest statement. In addition, some employees were on leaves of absence or on administrative lockout and did not have access to communications from DJJ. During the current examination, DJJ officials stated the exceptions were due to conflicting priorities and lack of resources.

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**RESPONSE:**

DJJ disagrees with the audit finding. Two employees were noted as exceptions for this audit finding. DJJ maintains that one employee does not qualify to file the Economic Interest Statements under the Illinois Governmental Ethics Act (5 ILCS 420) and the other employee works at a different agency.

**ACCOUNTANT'S COMMENT:**

When performing testing of the filing of Statement of Economic Interest Statements, auditors obtained a list of filers from DJJ and then compared it to the listing obtained from the Secretary of State's website. Auditors noted two employees on the list obtained from the Secretary of State that were not included on the list provided by DJJ. Although one employee is paid by another agency, the employee works at DJJ and filed the Economic Interest Statement as an employee of DJJ. DJJ has the responsibility to review the filings on the Secretary of State website to determine the DJJ's population list is accurate. This includes documenting any discrepancies noted by DJJ.

**UPDATED RESPONSE:**

No Change. DJJ still disagrees.

- 4. The auditors recommend DJJ strengthen controls to ensure transfer reports are completed, properly approved, and maintained as required. They also recommend DJJ implement procedures to ensure the accuracy of its Youth transfer listing.**

**FINDING:** *(Inaccurate Youth Transfer Listing)*

DJJ utilizes the Youth 360 system to track Youth offender information, including location information. To test compliance with the Code, auditors requested a listing of transfers made between Youth Centers. The Youth transfer listing, including transfers from five Youth Centers (St. Charles, Harrisburg, Pere Marquette, Warrenville, and Chicago), was not accurate. The transfer listings included instances where the Youths were temporarily moved (to court, medical visits, etc.).

Even given the population limitations noted above, which hindered the 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 DJJ and performed testing.

During testing, auditors noted the following:

- Six of 40 (15%) transfer reports were not completed properly from 4 of 5 (80%) Youth Centers (Chicago, Harrisburg, Pere Marquette, and Warrenville). The forms lacked proper approvals by the Director (or delegate) of DJJ or basis/rationale of transfer.

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- Two of 40 (5%) transfer reports from 2 of 5 (40%) Youth Centers (Pere Marquette, and St. Charles) were not provided by DJJ. There were no available records related to the youth transfer.

During both the prior and current examinations, DJJ officials stated some transfers were approved via email and the system inaccuracies were due to staff error. During the current examination, DJJ officials also stated the exceptions noted were due to oversight.

### **RESPONSE:**

DJJ accepts the recommendation. DJJ has established a Corrective Action Plan and will work to ensure accurate transfer reports are completed, properly approved and maintained.

### **UPDATED RESPONSE:**

Partially Implemented. DJJ has established a corrective action plan (CAP) that includes emailing guidance procedures, revising Policy Bulletin 32, and to update & train on the expectations. The CAP has been partially implemented.

- 5. The auditors recommend DJJ strengthen controls to ensure employees' gross pay, payroll deductions, timesheets, signed *Federal/Illinois W-4 Employee's Withholding Exemption Certificate* (Form C-25), and Form I-9 are maintained as required. In addition, they recommend DJJ ensure employee transfers and terminations are updated in their records.**

### **FINDING:** *(Failure to Maintain Required Personnel Documentation)*

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

During testing of personnel files for 65 employees, auditors noted the following:

- For sixteen (25%) employees tested, DJJ was unable to provide the signed *Federal/Illinois W-4 Employee's Withholding Exemption Certificate* (Form C-25).
- Three (5%) employees tested had missing I-9 forms and checklists. In addition, three (5%) employees tested had inappropriately completed I-9 forms. All three new employees tested completed, and signed section 1 and the employer's representative completed, and signed section 2 of I-9 form later than three business days after the employee's first day of employment.
- Three (5%) employees tested, were not found on the payroll vouchers provided. Therefore, we could not determine whether the payments were proper. Additionally, 1 of 65 (2%) employees tested had a different first name on the payroll voucher provided so we could not verify if it was the same employee.

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- For one (2%) employee tested, the gross salary per pay period should have been \$4,045 but the employee was paid \$3,985. DJJ did not provide supporting documentation for the difference of \$60.
- For one (2%) employee tested, DJJ was unable to provide timesheets for the months selected for testing.
- One of 35 (3%) active employees tested had been transferred to another agency in 2018 but was included in the listing of active employees for both FY19 and FY20. In addition, one of 15 (7%) inactive employees tested was noted to have left DJJ in 2017 but was included in the listing of terminated employees for FY19.

Due to these conditions, we were unable to conclude whether the Department's population listing of employees was sufficiently precise and detailed under Attestation Standards promulgated by the American Institute of Certified Public Accountants (ATC § 205.35) to test the Department's personnel files.

During the prior examination, DJJ officials stated personnel documentation was not available due to employee turnover, relocation, and error. During the current examination, DJJ officials stated the exceptions noted were due to improper filing, clerical oversight, and human error.

**RESPONSE:**

DJJ accepts the recommendation.

**UPDATED RESPONSE:**

Partially Implemented. DJJ has a corrective action plan (CAP) that includes working with Public Safety Shared Services Center (PSSSC) on training HR Representatives and completing self-audits on payroll and timekeeping files. The CAP, also, includes DJJ hiring a Human Resources Manager and Director to perform these functions and to separate from PSSSC to become a stand alone agency. The Human Resource Manager has been hired with a start date of 9/1/2021, and the interviews are recently completed for the Human Resource Director. Therefore, the CAP has been partially implemented.

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

**FINDING:** *(Reconciliations Not Performed Timely)*

DJJ did not timely perform reconciliations of Department records to the records of the Comptroller.

During testing, auditors noted the following:

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- Sixteen of 24 (67%) reconciliations of the cash receipts collected by the Department to the Comptroller’s Monthly Revenue Report (SB04) were performed between 2 and 259 days late.
- One of 24 (4%) reconciliations of the cash receipts collected by DJJ to the Comptroller’s Monthly Revenue Report (SB04) had no indication of management review.
- DJJ failed to perform a reconciliation of its internal records of appropriation transfers to the Comptroller’s Monthly Appropriation Transfer Report (SB03) during FY19 and 20.
- Fifteen of 24 (63%) reconciliations of the expenditures by DJJ to the Comptroller’s Monthly Appropriation Status Report (SB01) were performed between 5 and 297 days late.
- Four of 24 (17%) reconciliations of the expenditures by the Department to the Comptroller’s Monthly Appropriation Status Report (SB01) had no indication of management review.

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

### **RESPONSE:**

DJJ accepts the recommendation.

### **UPDATED RESPONSE:**

Partially implemented. DJJ has established a corrective action plan (CAP) to work with Public Safety Shared Services Center (PSSSC) and to review the feasibility of hiring staff in FY22 to perform these functions and to separate from PSSSC to become a stand only agency. The CAP has been partially implemented.

## **7. The auditors recommend DJJ strengthen controls to ensure employee leave requests are completed, approved, and maintained as required.**

### **FINDING:** *(Inadequate Controls over Leaves of Absences)*

During testing of 60 employees, auditors noted the following:

- For two (3%) employees tested, DJJ could not provide documents supporting reason of leave of absence (e.g., letter from doctor, the military, etc.).
- For four (7%) employees tested, DJJ could not provide the initial leave authorization documents.

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- For three (5%) employees tested, DJJ could not provide the return of leave authorization documents.
- For two (3%) employees tested, the return of leave authorization documents did not have the signature of the Director and/or Supervisor.
- For five (8%) employees tested, the return of leave authorization document was approved by the Director and/or Supervisor 97 to 473 days after the effective date.

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

### **RESPONSE:**

The Department of Juvenile Justice (DJJ) accepts the recommendation.

### **UPDATED RESPONSE:**

Partially Implemented. DJJ has a corrective action plan (CAP) that includes training HR Representatives on the required documentation and to work with Public Safety Shared Services Center (PSSSC) to obtain all approvals. The CAP, also, includes DJJ hiring a Human Resources Manager and Director to perform these functions and separate from PSSSC to become a stand alone agency. The Human Resource Manager has been hired with a start date of 9/1/2021, and the interviews have been recently completed for a Human Resource Director. The CAP has been partially implemented.

- 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, DJJ should retain all necessary documentation regarding receipts, disbursements, and expenditures from the locally held funds.**

### **FINDING:** *(Inadequate Controls over the Resident Trust Fund)*

During testing, auditors noted the following:

- For 14 of 60 (23%) Youth files tested at 2 of 5 (40%) Youth Centers (Chicago, and Harrisburg), DJJ was unable to provide the Trust Fund Signature and Authorization Card. DJJ's Administrative Directive (Directive) (02.42.110) states the Chief Administrative Officer at each Reception and Classification Center shall: (1) ask each offender upon admission to sign a Trust Fund Signature and Authorization card (DOC 0006) and (2) forward the Trust Fund Signature and Authorization card to the Records Office for placement in the Youth's master file.
- For 19 of 19 (100%) Youth Trust Fund accounts, tested at 4 of 4 (100%) Youth Centers (Chicago, Harrisburg, St. Charles, and Warrenville), where account balances exceeded \$200, the Centers did not deposit funds in an interest-bearing savings account as required. The Directive (02.42.106) states at least monthly, the

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Business Administrator shall review all Trust Fund accounts to identify accounts with balances in excess of \$200. Monies in excess of \$200 shall be deposited in an interest-bearing savings account for the Youth.

- For 10 of 60 (17%) disbursements tested, totaling \$510, from 2 of 5 (40%) Youth Centers (Chicago, and Harrisburg), the Department could not provide a completed Authorization for Payment (DOC 0296) or any equivalent form. The Directive (02.42.105) requires all payments from the Trust Fund to be authorized by the offender on a DOC 0296.
- For 20 of 60 (33%) receipts tested, totaling \$1,450, from 4 of 5 (80%) Youth Centers (Chicago, Harrisburg, St. Charles, and Warrenville), DJJ was unable to provide sufficient supporting documentation to substantiate the amount collected was correct or determine the timeliness of deposit.
- For 36 of 48 (75%) months tested at 2 of 2 (100%) Youth Centers (Pere Marquette, and St. Charles) that earned bank interest income, the Department did not timely transfer interest earned to the Residents' Benefit Fund as required. The Directive (02.40.103) states interest earned on all Trust Fund accounts shall be recorded in accordance with Directive (02.43.103), which states within 20 working days after the notification of interest earned is received, it shall be transferred to the Residents' Benefit Fund.
- For 23 of 24 (96%) outstanding checks that aged more than three months at 4 of 4 (100%) Youth Centers (Chicago, Harrisburg, Pere Marquette, and St. Charles), stop payment orders were not issued. The Directive (02.40.104) states that stop payments should be issued after three months if the bank does not charge a service charge that is equal to or greater than 50% of the value of the check and the monies added back to the account.
- For 26 of 52 (50%) months tested that have bank service charge at 3 of 4 (75%) Youth Centers (Chicago, St. Charles, and Warrenville), DJJ did not reimburse the bank service charge from the Residents' Benefit Fund as required. The Directive (02.43.101) states that bank service charges incurred by the Resident Trust Fund shall be reimbursed from the Resident Benefit Fund.
- For 3 of 10 (30%) bank reconciliations tested at 2 of 5 (40%) Youth Centers (Chicago and St. Charles), there was no evidence of review performed as required. In addition, 2 of 10 (20%) bank reconciliation tested at 1 of 5 (20%) Youth Centers (St. Charles) were unreconciled and have no resolution of variances. The Directive (02.40.104) states that the reconciliation shall be submitted to the Business Administrator and Chief Administrative Officer for review and signature. Further, the Directive (02.40.104) dictates the methods in which the Trust Fund should be reconciled each month.
- For 9 of 60 (15%) bank reconciling items (Deposit-in-transit and Outstanding Checks) tested at 4 of 5 (80%) Youth Centers (Chicago, Harrisburg, St. Charles,

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and Warrenville), DJJ could not provide adequate supporting documentation, hence we were unable to determine the validity of the reconciling items.

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.

During the prior examination, DJJ officials stated the exceptions noted were due to conflicting priorities, human error, and oversight. During the current examination, DJJ officials stated the exceptions noted were due to understaffing, high turnover, and having trouble with banking fees that make adhering to the Administrative Directive unbeneficial.

### **RESPONSE:**

DJJ accepts the recommendation.

### **UPDATED RESPONSE:**

Partially implemented. DJJ has a corrective action plan (CAP) that includes updating the Administrative Directives to remove language related to interest bearing accounts & stop payment orders along with updating forms and training applicable staff on the required documentation. DJJ is also reviewing the feasibility of hiring staff in FY22 to perform these functions and to establish a stand alone agency. The CAP has been partially implemented.

- 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, DJJ should 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)*

During testing, auditors noted the following:

- Three of five (60%) Center's tested (Chicago, St. Charles, and Warrenville) did not provide the Schedule of Committee Members of the Resident Benefit Fund, thus, we cannot ascertain compliance of DJJ as set forth by the Administrative Directive (Directive). The Directive (02.43.102) requires the committee to consist of three members, including the Leisure Time Activities Supervisor, an Assistant Chief Administrative Officer, and a representative of the Business Office.
- For 20 of 60 (33%) disbursements tested under the Resident Benefit Fund, totaling \$26,542, from 4 of 5 (80%) Youth Centers (Chicago, Harrisburg, St. Charles, and Warrenville), DJJ could not provide adequate supporting documentation. Hence, we could not ascertain proper approval by all members of the Resident Benefit Fund Committee. The Directive (02.43.102) requires the Chief Administrative Officer to appoint committees to review expenditures from the benefit funds. The

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requests for expenditures from the benefit funds must be submitted in writing to a member of the appropriate committee who shall present the requests at the next meeting. When possible, the request shall include the nature of the expenditure and the total approximate cost.

- One of five (20%) Center Employee Benefit Fund Committees (St. Charles) did not contain the required number of members. The Directive (02.43.102) states that the Committee for the Employees' Benefit Fund shall consist of five employees.
- Sixteen of 60 (27%) disbursements tested under the Employee Benefit Fund, totaling \$12,688 from 3 of 5 (60%) Youth Centers (Chicago, Harrisburg, and St. Charles) were not approved by all members of the Employee Benefit Fund Committee. Further, for 8 of 60 (13%) disbursements tested under the Employee Benefit Fund, totaling \$4,216 from 2 of 5 (40%) Youth Centers (Chicago and Warrenville), DJJ could not provide adequate supporting documentation, hence we could not ascertain proper approval by all members of the Employee Benefit Fund Committee.
- For eleven of 60 (18%) receipts tested, totaling \$3,603, from 2 of 5 (40%) Youth Centers (Chicago and Warrenville), DJJ could not provide adequate supporting documentation, so we were unable to substantiate the amounts collected were correct or determine the timeliness of deposit. In addition, for 1 of 60 (2%) receipts tested, totaling \$105, from 1 of 5 (20%) Youth Centers (Warrenville), there is a difference between the amount deposited and amount reflected in the receipts.
- Five of 60 (8%) receipts tested, totaling \$1,037, from 2 of 5 (40%) Youth Centers (Chicago and Warrenville) were deposited between 11 and 18 days late. The Directive (02.40.110) requires DJJ to ensure receipts accumulating in the amount of \$1,000 or more on any Business Office working day to be deposited no later than 12:00 a.m. the next working day. Deposits shall be made at least once a week.
- Three of 10 (30%) bank reconciliations tested at 2 of 5 (40%) Youth Centers (Chicago and St. Charles), had no evidence of review performed as required. The Directive (02.40.104) states that the reconciliation shall be submitted to the Business Administrator and Chief Administrative Officer for review and signature.
- For five of 8 (63%) bank reconciling items (Deposit-in-transit and Outstanding Checks) tested at 1 of 3 (33%) Youth Centers (Warrenville), DJJ could not provide adequate supporting documentation. Hence, we were unable to determine the validity of the reconciling items.

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.

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During the prior examination, DJJ officials stated the exceptions noted were due to conflicting priorities, human error, and oversight. During the current examination, DJJ officials stated the exceptions noted with the benefit funds were due to understaffing and high turnover of DJJ employees.

**RESPONSE:**

DJJ accepts the recommendation.

**UPDATED RESPONSE:**

Partially Implemented. DJJ has a corrective action plan (CAP) that includes meeting to discuss and review the committee member listing, adding a process to updating the committee member listing, and training staff on maintaining documentation, processing timely deposits and completing bank reconciliations. The CAP has been partially implemented.

**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, DJJ should 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)*

During testing, auditors noted the following:

- The Center was not able to provide supporting documentations related to closing of the Travel and Allowance Fund bank account.
- There was an unreconciled variance of \$109 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, DJJ has been unsuccessful in implementing a corrective action plan.

During the prior examination, DJJ officials stated the exceptions noted were due to understaffing and high turnover. During the current examination, DJJ officials stated the exceptions noted were due to conflicting priorities, human error, and oversight.

**RESPONSE:**

The Department of Juvenile Justice (DJJ) accepts the recommendation. Although, the account was closed by the bank due to infrequent use and has not been in use since 2018, DJJ has established a Corrective Action Plan that includes updating Administrative

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Directives and working with staff on the requirements of the operation and maintenance of locally held funds.

**UPDATED RESPONSE:**

Implemented.

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

**FINDING:** *(Inadequate Documentation of Employee Training)*

Auditors noted the following during our testing:

- Seventeen of 60 (28%) supporting documents for the required trainings were not provided for the employees sampled.
- Three of 60 (5%) employees tested did not complete the required annual ethics training.
- Three of 60 (5%) employees tested had missing support/proof of attendance on the required annual ethics training.
- Two of 15 (13%) newly hired employees tested did not complete ethics training within 30 days from hiring date.

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

**RESPONSE:**

DJJ accepts the recommendation. DJJ has established a Corrective Action Plan that includes updating the Administrative Directive and working with staff to maintain records.

**UPDATED RESPONSE:**

Partially Implemented. DJJ has an established a corrective action plan (CAP) that includes adding pre-service training for General Office staff, reviewing Ethics Training timeframe, sending weekly reminders during ethics training period and updating Administrative Directives. The CAP has been partially implemented.

**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)*

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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 the DJJ's operating policies and procedures to help ensure uniformity throughout the DJJ. While DJJ has made some progress towards updating the Directives to reflect DJJ's unique purpose and mission, several Directives require updating. Auditors noted 209 of 396 (53%) of DJJ's Directives have an effective date prior to the establishment of DJJ.

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.

During both the prior and current examinations, DJJ officials indicated these problems persist due to other competing priorities and resource constraints.

### **RESPONSE:**

DJJ accepts this recommendation.

### **UPDATED RESPONSE:**

Partially Implemented. DJJ has a corrective action plan (CAP) to update Administrative Directives and Forms by May of 2023. Additionally, DJJ is also reviewing the feasibility of hiring additional staff in FY22 to perform these functions and to establish a stand alone agency. 19% of the CAP has been completed to date.

### **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)*

During testing, auditors noted the following:

- Twenty-one of 65 (32%) employees tested were missing an annual performance evaluation document for FY19 and 13 of 65 (20%) employees tested were missing an annual performance evaluation document for FY20.
- Thirteen of 65 (20%) employees tested had evaluations administered between 1 and 115 days late.
- One of 65 (2%) employees tested was missing the annual performance evaluation's signature page.

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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.

During both the prior and current examinations, DJJ officials attributed the issues noted to employee turnover and staffing shortages.

### **RESPONSE:**

DJJ accepts the recommendation.

### **UPDATED RESPONSE:**

Partially Implemented. DJJ has a corrective action plan (CAP) to train HR Representatives and to centrally store the required documentation. Additionally, DJJ is also reviewing the feasibility of hiring a Human Resource Manager and Director to perform these functions and to establish a stand alone agency. The Human Resource Manager has been hired with a start date of 9/1/2021, and the Interviews have been recently completed for a Human Resource Director. The CAP has been partially implemented.

- 14. The auditors recommend DJJ appoint a Chief Internal Auditor and ensure a fulltime program of internal auditing is in place and functioning, a two-year internal audit plan is designed to audit major systems of internal accounting and administrative controls on a periodic basis, and a written report is submitted by September 30 to the Director detailing how the audit plan for that year was carried out, as required by the Fiscal Control and Internal Auditing Act.**

### **FINDING:** *(Noncompliance with the Fiscal Control and Internal Auditing Act)*

During testing, auditors noted that from January 1, 2017 until present, the Chief Internal Auditor position was vacant. During FY19, DJJ relied on an interagency agreement with the Public Safety Shared Services (PSSSC) signed with DOC to share a Chief Internal Auditor and Internal Auditing Staff, but the PSSSC was understaffed the last several years. The DOC Office of Internal Audit provided some related services to the Department such as preparation of the two-year internal audit plan and submission of the annual report; however, we noted that the FY19-20 two-year internal audit plan was not prepared timely by the Office of Internal Audit and was not approved timely by the DJJ Director. Auditors also noted that the internal audit annual report was not completed for DJJ during FY19. In April 2019, DJJ hired an internal audit staff person, but not a Chief Internal Auditor.

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

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During both the prior and current examinations, DJJ officials stated the failure to appoint an internal auditor was due to lack of available qualified staff.

### **RESPONSE:**

DJJ accepts this recommendation.

### **UPDATED RESPONSE:**

Partially Implemented. DJJ has a corrective action plan (CAP) that includes reviewing the feasibility of hiring a Chief Internal Auditor and maintaining an the Internal Auditor I position to perform the functions of a full time auditing program and to establish a stand alone agency. The CAP has been partially implemented.

- 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. Lastly, they recommend DJJ ensure Individually Assigned Vehicle Authorization Forms are maintained.**

**FINDING:** *(Policies and Procedures Regarding Operation of State Vehicles Not Followed)*

During the testing of vehicle accident reports, auditors noted the following:

- For one of 8 (13%) reported accidents tested involving DJJ's vehicles, the accident was not reported to CMS in a timely manner. The accident report was submitted 53 days late.
- Two of 8 (25%) Uniform Cover Letters tested were not properly completed. These forms were missing information on license plate number, whether the accident resulted in a wrongful death or DUI, or missing claimant information.
- One of 8 (13%) Form SR-1 tested was not properly completed. The form was missing information on the claimant. During the testing of vehicle maintenance records, auditors noted the following:
  - Twenty-four of 28 (86%) vehicles tested did not receive routine oil changes performed on a timely basis.
  - Sixteen of 28 (57%) vehicles tested did not receive tire rotations at the required interval.
  - Eight of 28 (29%) vehicles tested did not receive annual inspections.
  - For one of 28 (4%) vehicles tested, DJJ was unable to provide supporting documents.

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DJJ did not provide us with the Individually Assigned Vehicle Report for FY20.

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.

DJJ officials stated the vehicle accident exceptions were due to conflicting priorities and employee oversight. During both the prior and current examinations, DJJ officials attributed the vehicles not receiving the required maintenance issues to employees in different locations being unaware of all the vehicle maintenance and documentation requirements. DJJ officials stated the missing support for the Individually Assigned Vehicles Authorization Form was due to employee oversight and limited staffing resources.

### **RESPONSE:**

DJJ accepts this recommendation.

### **UPDATED RESPONSE:**

Partially Implemented. DJJ has a corrective action plan (CAP) that includes training staff on timely completing reports and maintaining the required documentation. The CAP has been partially implemented.

### **16. The auditors recommend DJJ obtain required signatures and disclosures for each contract, properly complete the CODs, maintain contract agreement for emergency purchase, and timely complete monthly Contracts and Obligation Reconciliations Report.**

#### **FINDING:** *(Inadequate Controls over Contractual Agreements)*

During testing, auditors noted the following:

- DJJ did not obtain the signature of the Chief Executive Officer, Chief Legal Counsel, or the Chief Fiscal Officer for 2 of 41 (5%) contracts tested amounting to more than \$250,000.
- Contracts selected for testing were missing certain requirements. Specifically, the following:
  - One of 41 (2%) contracts tested did not include Disclosures of Financial Interest.
  - Six of 41 (15%) contracts tested were missing standard certification clauses.

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- The Contract Obligation Document (COD) was not properly completed for 13 of 41 (32%) contracts tested. Specifically, the COD was missing the signature of approval.
- DJJ was unable to provide contract agreement for one emergency purchase.
- Six of 24 (25%) month-end period Contracts and Obligation Reconciliation Reports were completed between 83 and 232 days late.

During the prior examination, DJJ officials indicated the issues noted were due to employee oversight. During the current examination, DJJ officials indicated the issues noted were due to employee oversight, competing priorities, and lack of resources. Failure to obtain all required signatures and properly sign all contracts could result in an unenforceable contractual agreement.

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

### **RESPONSE:**

DJJ accepts the recommendation.

### **UPDATED RESPONSE:**

Partially Implemented. DJJ has a corrective action plan (CAP) that includes training on emergency procedures, having discussions with applicable staff the importance of following procedures, obtaining the required signatures and maintaining documentation. Also, the CAP, includes reviewing the feasibility of hiring staff in FY22 and to establish as a stand-alone agency. The CAP has been partially implemented.

### **17. The auditors recommend DJJ strengthen controls over its IGAs by ensuring terms are followed and maintaining documentation to substantiate compliance.**

#### **FINDING:** *(Inadequate Controls over the Administration of Interagency Agreements)*

DJJ had no existing policies and procedures for initiating and monitoring interagency agreements (IGAs).

During the current testing, auditors noted for 4 of 7 (57%) IGAs tested, DJJ was unable to provide adequate documentation to support compliance with specific terms and clauses.

- DJJ was unable to provide reports such as claiming methodology submitted to the DCFS annually; report about foster care assistance submitted to Adoption and Foster Care Analysis and Reporting System (AFCARS); evaluation of distribution

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of funding of all Multi-Agency Clinical Staffing (MACS) administrative expenses and the report specifically showing how the funds are appropriated for this purpose that are submitted to the DCFS, and DHS.

- DJJ was unable to provide the list of designated coordinators or staff members who are hired for the purpose of the IGAs with DCFS and DHS.
- The youth date files report provided to the HFS obtained from DJJ was insufficient for us to verify the actual report and review the required information like the youth's age and proof that they have children.
- Auditors were unable to obtain proof of active institutions provided to DHFS and the designated room for HFS staff to obtain the collection of genetic samples for use in paternity establishment.

During the prior examination, DJJ officials indicated the issues resulted from employee oversight and significant turnover of employees. During the current examination, DJJ officials indicated the issues noted were due to competing priorities and lack of resources.

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

### **RESPONSE:**

DJJ accepts the recommendation. DJJ has established a Corrective Action Plan to ensure the interagency agreements are reviewed and are in compliance.

### **UPDATED RESPONSE:**

Partially Implemented. DJJ has established a corrective action plan (CAP) that includes reviewing and updating the effective and termination dates of Inter Agency Agreements (IGA's), assigning responsible staff to perform the functions listed in the IGA's and adding policy & procedures. The CAP has been partially implemented.

**18. The auditors recommend DJJ ensure receipts and refunds are deposited timely and all documentation is maintained related to cash receipts and refunds.**

### **FINDING:** *(Inadequate Controls over Receipts and Refunds)*

During testing, auditors noted the following:

- Two of 60 (3%) receipts tested, totaling \$1,304, were deposited between 17 and 90 days late. In addition, two of 9 (22%) refunds tested, totaling \$915, were deposited between 5 and 17 days late.

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- For two of 9 (22%) refunds tested, totaling \$7,126, DJJ did not maintain adequate supporting documentation. No supporting documents can show the date of receipt and deposit. Thus, auditors could not determine timeliness of deposit.

During both the prior and current examinations, DJJ officials stated the issues were due to human error and limited staff resources.

**RESPONSE:**

DJJ accepts the recommendation.

**UPDATED RESPONSE:**

Partially Implemented. DJJ has a corrective action plan (CAP) that includes working with Public Safety Shared Services Center (PSSSC) on timely depositing receipts & refunds. Also, the CAP, includes reviewing the feasibility of hiring staff in FY22 to perform these functions and to establish a stand alone agency. The CAP has been partially implemented.

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

**FINDING:** *(Inadequate Administration of Discipline and Grievance Policies)*

During testing of DJJ's administration of discipline and grievance policies, auditors noted the following:

- DJJ utilizes the Youth 360 system to track disciplinary tickets issued during the examination period. To test compliance with the Unified Code of Corrections (Code) (730 ILCS 5/3-10-8(e)) related to Disciplinary Policies, a listing of disciplinary tickets issued was requested. The listing of disciplinary tickets from one Youth Center (St. Charles) was not accurate. The listing included instances of youths who did not receive tickets.
- For 9 of 40 (23%) disciplinary tickets tested from 2 of 5 (40%) Youth Centers (Harrisburg and Pere Marquette) tested, supporting documents (i.e., Notice of Disciplinary Hearing (DJJ 0543), Adjustment Committee Summary and Recommendations (DJJ 0544), Notice of Disciplinary Decision (DJJ 0545), Adjustment Committee Summary (DJJ 0319) could not be located or provided.
- For 1 of 40 (3%) disciplinary tickets selected for testing from 1 of 5 (20%) Youth Centers (Pere Marquette) tested, DJJ failed to complete the DJJ 0544 form, hence we were unable to determine the date of hearing and confirm the conduct of hearing.

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- For 5 of 40 (13%) grievances tested from 2 of 5 (40%) Youth Centers (Harrisburg and Pere Marquette) tested, the record of the grievance response form (DJJ 0047) was not provided. In addition, for 2 of 40 (5%) grievances selected from one Youth Center (Pere Marquette), no grievance documentation was located or provided.

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

During both the prior and current examinations, DJJ officials stated the exceptions were due to employee error and oversight.

### **RESPONSE:**

DJJ accepts the recommendation.

### **UPDATED RESPONSE:**

Partially Implemented. DJJ has a corrective action plan (CAP) that includes reviewing and training applicable staff on grievance & discipline Administrative Directives and adding tracking software. Also, the CAP, includes having monthly verifications of grievances. The CAP has been partially implemented.

## **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)

During the testing, auditors noted the following:

- The Department did not timely submit the 2018 and 2019 annual reports to the Governor and General Assembly. The 2018 and 2019 reports were submitted 41 and 34 days late, respectively.
- For 8 of 8 (100%) quarterly reports, DJJ could not provide documentation indicating when the reports were filed with the Governor and General Assembly. Further, the reports did not include the vocational programs provided at each facility.

During both the prior and current examinations, DJJ officials stated the reports were not complete and documentation of the dates filed were not maintained due to employee error.

### **RESPONSE:**

DJJ accepts the recommendation.

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**UPDATED RESPONSE:**

Implemented.

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

**FINDING:** *(Noncompliance with the Unified Code of Corrections Regarding Inspections of Juvenile Detention Facilities)*

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 14 of 32 (44%) 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.

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

During both the prior and current examinations, DJJ officials stated the inspection reports and notification letters could not be located due to staff turnover.

**RESPONSE:**

DJJ accepts the recommendation. DJJ has established a Corrective Action Plan that has corrected the weakness to notify all required county officials and maintain the documentation.

**UPDATED RESPONSE:**

Implemented.

- 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**

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have contained confidential information, and document the results of the assessment.

- Ensure all confidential information is protected with methods such as encryption or redaction.
- Ensure all data is properly and timely removed from unused IT equipment.

**FINDING:** *(Weaknesses Regarding Security and Control of Confidential Information)*

Although DJJ made progress, it still 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, DJJ maintains protected health information that is considered confidential and required to be protected under the Health Insurance Portability and Accountability Act (HIPAA).

Auditors noted DJJ failed to protect personal, medical, and confidential information on all IT equipment. Specifically, during testing at DJJ'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 FY19 and 20 Certification of Inventory, documented missing equipment, including 71 PCs/laptops totaling \$90,169 and six PCs/laptops, totaling \$7,801, respectively.

Auditors 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.

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

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

**RESPONSE:**

DJJ accepts the recommendation.

**UPDATED RESPONSE:**

Partially Implemented. DJJ has established a corrective action plan (CAP) that includes working with DoIT to obtain resources that add can add tracking software, review security procedures, perform audits to verify encryption software, and remove & dispose of data processing equipment. The CAP has been partially implemented.

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- 23. The auditors recommend DJJ use the completed Business Impact Analysis to develop a disaster recovery plan, which details a current listing of prioritized applications and detailed recovery scripts for each application. In addition, DJJ should perform a comprehensive test of the plan at least annually.**

**DJJ should also develop procedures to ensure their applications and data are backed-up and stored off-site.**

**FINDING:** *(Lack of Disaster Contingency Planning)*

DJJ utilizes a myriad of applications in order to carry out its mission. DJJ's critical applications include Youth 360, Drug Screening, and Fund Accounting and Commissary Trading System.

As part of the examination, auditors requested DJJ's disaster recovery plan, prioritized listing of applications and data, and documentation demonstrating recovery testing of their applications and data. As in the past two examinations, DJJ was unable to provide their disaster recovery plan or associated documentation such as their prioritized listing of applications and data. In addition, DJJ stated they had not conducted disaster recovery testing of its applications and data.

DJJ, however, had worked with DoIT during the period under review to conduct a business impact analysis, the results of which were documented and issued on February 3, 2020 in a report titled "Business Impact Analysis." The Analysis helped determine and evaluate the potential effects of an interruption to critical business functions and could be used as a component of a disaster recovery plan.

Furthermore, DJJ could not provide documentation that all of their critical applications were backed up on a regular basis and stored off-site.

During the prior and current examination, DJJ management indicated the lack of staffing and resources contributed to the weaknesses. This finding was first noted during the examination of the two years ended June 30, 2014. In subsequent years, DJJ has been unsuccessful in implementing a corrective action plan.

Without an adequately developed and tested disaster recovery plan, DJJ cannot ensure their applications and data can be recovered within an acceptable time period.

**RESPONSE:**

The Department of Juvenile Justice (DJJ) accepts the recommendation.

**UPDATED RESPONSE:**

Partially Implemented. DJJ has established a corrective action plan (CAP) that includes working with DoIT to obtain IT resources that can perform adding Administrative Directives on IT Downtime & recovery procedures, and establish a policy for proof of backup & storage. The CAP has been partially implemented.

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**24. The auditors recommend DJJ identify all service providers and 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 Complementary User Entity Controls (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 DJJ'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 plan exists and when it will be implemented, any impacts to DJJ, 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 Controls over 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 request, DJJ provided a listing of four service providers utilized during the audit period.

The Department 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 system.
- 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 four 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 documented in the SOC reports.

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

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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.

**RESPONSE:**

DJJ accepts the recommendation.

**UPDATED RESPONSE:**

Partially Implemented. DJJ has established a corrective action plan (CAP) that includes working with DoIT to obtain IT resources that can review contracts and Interagency agreements for required SOC Reports, to review SOC Report Complimentary User Entity Controls (CUEC's) and add tracking software. The CAP has been partially implemented.

**25. The auditors recommend DJJ implement the required changes to Youth 360's logic in order to meet the needs of the Department.**

**FINDING:** *(Incorrect Calculation of Release Dates)*

DJJ did not ensure all conditions needed to correctly calculate the target release dates were included in the Youth 360 system.

In June 2010, DJJ embarked on the development of the Youth 360 system and over the last ten years has added additional functionality in the areas of location tracking, offense information, security levels, as well as maintaining youth personal, and medical information.

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

As reported in the 2018 examination, due to incorrect logic regarding custody date, length of the sentence, and the complexity of youth sentencing laws, Youth 360 did not correctly calculate the release dates. As a result, DJJ staff continued to manually calculate release dates and override inaccurate Youth 360 release dates.

During the prior and current examinations, DJJ officials indicated the lack of staffing has delayed implementation of corrections to Youth 360.

The inability of Youth 360 to properly calculate the youth release dates during the period under review resulted in incorrect information in DJJ's system.

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**RESPONSE:**

DJJ accepts the recommendation. DJJ has established a Corrective Action Plan and has corrected this finding and recommendation by updating the formula in the software and recalculating the target release dates of the youths effected.

**UPDATED RESPONSE:**

Implemented.

**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 2021, DJJ had 59 employees assigned to locations other than official headquarters.