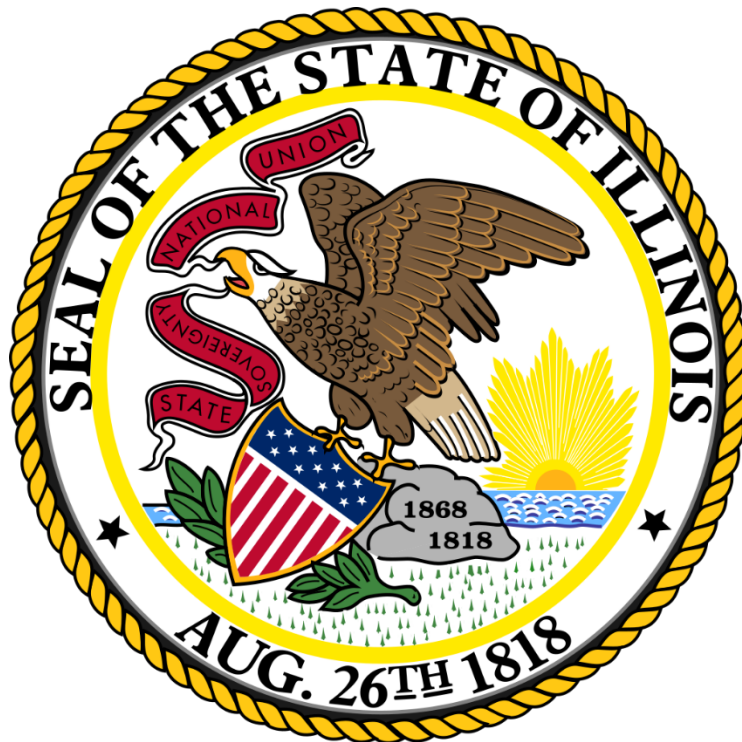


LEGISLATIVE AUDIT COMMISSION



Review of
Illinois Criminal Justice Information Authority
Statewide Single Audit
Year Ended June 30, 2021

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

REVIEW: 4553
Illinois Criminal Justice Information Authority
YEAR ENDED JUNE 30, 2021

FINDINGS/RECOMMENDATIONS – 4
PARTIALLY IMPLEMENTED – 4
ACCEPTED – All
REPEATED RECOMMENDATIONS – 3

PRIOR AUDIT FINDINGS/RECOMMENDATIONS – 2

2021-26. The auditors recommend ICJIA perform and document risk assessments of each subrecipient and ensure fiscal and program monitoring visits are performed in accordance with the results of such risk assessments. In addition, auditors recommend ICJIA establishes controls to ensure single audit reports are received timely and desk reviews are completed and documented in a timely manner to substantiate whether MDLs should be issued by ICJIA within six months. Lastly, ICJIA should add to their warrant description the ALN associated with each disbursement.

Finding: *(Failure to Execute Risk Assessment and Adequately Monitor Subrecipients)*

First reported 2019, last reported 2020 ICJIA created a fiscal risk assessment policy but did not execute the risk assessment of subrecipients of the Crime Victim Assistance (CVA) program as required by the Uniform Guidance during FY21. ICJIA does not have a formally documented program risk assessment. Practice is to review all subrecipients within a three-year cycle. Additionally, ICJIA did not perform programmatic and fiscal on-site visits in accordance with its established monitoring procedures, did not have adequate controls around the review of single audit reports, and did not include identifying information with disbursements made to subrecipients.

ICJIA created a fiscal risk assessment policy during FY20 and refined the policy in 2021 but did not perform the risk assessments and document related conclusions for subrecipients as specified in the policy. Accordingly, auditors could not determine if the one fiscal on-site review conducted correlated with the risk criteria set forth in the policy. Further, ICJIA does not have a formally documented program risk assessment with sufficiently designed procedures to address program and/or fiscal compliance. In reviewing the on-site program monitoring procedures performed by ICJIA for seven subrecipients (with expenditures totaling \$1,562,213), auditors noted the following exceptions.

- ICJIA's program on-site monitoring reviews included completing a brief checklist to determine whether certain program-specific compliance requirements (including activities allowed, matching, and maintenance of effort requirements) and select fiscal activities were being performed in accordance with the grant award. The

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procedures performed appeared to primarily consist of inquiries of personnel responsible for administering the program at the subrecipient location.

- ICJIA did not consistently document the supervisory review of the site visit reports or supervisory review of communications of on-site monitoring results to subrecipients in accordance with ICJIA's policies. Specifically, one of seven follow up letters was sent without evidence of supervisor review.

Additionally, ICJIA did not adequately review single audit reports for subrecipients of the CVA program. The State of Illinois established the Grant Accountability Transparency Unit (GATU) to implement the provisions of the State's Grant Accountability and Transparency Act (GATA) on a centralized basis. GATU has established standardized reporting requirements for subrecipients of the various Federal programs administered by the State through its various departments. Subrecipients of the state are required to certify whether they expended more than \$750,000 in federal awards during the fiscal year and submitted their single audit reporting packages to the Federal Audit Clearinghouse (if required).

ICJIA staff are responsible for reviewing the reports of their subrecipients and issuing management decisions on findings reported within required time frames. During their test work of a sample of single audit desk review files for 18 CVA program subrecipients, auditors noted ICJIA did not have appropriate internal controls in place to ensure receipt of single audit reports or issuance of management decisions within required time frames.

Finally, all pass-through entities must identify the dollar amount made available under each Federal award and the Assistance Listing Number (ALN) at the time of disbursement per 2 CFR 200.332(a)(1)(xii). ICJIA did not provide notification of ALNs to 23 out of 34 subrecipients sampled when funds were disbursed during fiscal year 2021.

ICJIA passed through approximately \$72,946,000 to subrecipients of the CVA program during the year ended June 30, 2021.

Cause:

In discussing these conditions with ICJIA officials, they stated both a lack of adequate staff resources combined with the increase in new programs delayed the ability to adequately implement the fiscal risk assessment policy and conduct the respective onsite reviews. In addition, ICJIA officials indicated changes in personnel combined with competing priorities for the limited resources available led to a reduction in the audits and review of work performed.

Possible Asserted Effect:

Failure to execute required risk assessments and adequately monitor subrecipients including review of single audit reports may result in subrecipients not properly administering the federal programs in accordance with laws, regulations, and the terms and conditions of the award. Not communicating ALNs can hamper the subrecipients' ability to correctly prepare their schedule of expenditures of federal awards.

Repeat Finding:

A similar finding was reported in the prior year audit as finding number 2020-018. (Finding Code 2021-026, 2020-018, 2019-056)

Views of ICJIA Officials:

ICJIA accepts this finding but notes that some of the conditions found were addressed as part of its response to the FY20 State Single Audit. For example, ICJIA now includes the ALN on federal fund disbursements, but only started after the FY20 State Single Audit noted that ICJIA was not doing so in mid FY21.

ICJIA continues to develop and refine its risk assessments in order to ensure compliance with federal and state requirements. ICJIA redid and implemented an actionable risk assessment pilot program in FY22 that is currently guiding the number of audits completed; ICJIA has also supplemented audit activity with financial desk reviews in which ICJIA fiscal staff review financial documentation for a single reporting period for a select population of grants to make sure it backs up the amount reported in the financial report.

2021-27. The auditors recommend ICJIA maintain documentation of the report reviews demonstrating reports are complete, accurate, and agree or reconcile to financial records. Auditors also recommend the review of the matching information be enhanced to a greater precision level to address data input errors.

Finding: *(Inadequate Controls over Reports and Matching) – First reported 2019, last reported 2020*

ICJIA does not have adequate controls in place to ensure amounts reported on the federal financial status report (SF-425) and the annual Victims of Crime Act (VOCA) progress report are complete and accurate.

With regard to matching, auditors noted the total recipient share of expenditures of approximately \$15.1 million reported on the final SF-425 submitted for the Federal fiscal year 2017 did not agree to supporting documentation. Specifically, during their review of seven subrecipient matching contributions totaling approximately \$13.1 million of the match, auditors noted two matching contributions did not agree to the underlying expenditure reports submitted by subrecipients. As a result of these errors, the total recipient share of expenditures was understated by approximately \$17,000. The SF-425 control related to reviewing the manually inputted matching information for accuracy did not function at the correct precision level. In addition, there was no evidence of review of the annual VOCA progress report.

Cause:

In discussing these conditions with ICJIA officials, they stated the current process for validating the fiscal expenditure data for both the SF-425 and annual VOCA progress reports is not operating at a sufficient level to ensure complete and accurate submission of financial status reports due to a lack of available data, automation, and resources. In addition, ICJIA officials indicated documentation of supervisory reviews of prepared reports was not retained due to the remote working environment.

Possible Asserted Effect:

Failure to establish adequate controls may result in inaccurate financial and/or progress reports which prevents the USDOJ from effectively monitoring the Crime Victim Assistance Program. In addition, non-compliance could occur with regard to required matching specified in the grant awards.

Repeat Finding:

A similar finding was reported in the prior year audit as finding number 2020-019. (Finding Code 2021-027, 2020-019, 2019-058)

Views of ICJIA Officials:

ICJIA accepts this finding but notes that sufficient controls for SF-425 review were implemented as part of its response to the FY20 State Single Audit in late FY21. ICJIA also accepts that the VOCA progress report review was not documented in FY21, but notes that an electronic review process implemented after the transition to remote work will demonstrate sufficient review moving forward.

2021-28. The auditors recommend ICJIA establish procedures and controls to identify awards and amendments subject to FFATA reporting requirements and report required subaward information in accordance with FFATA.

Finding: (Failure to Report Subaward Information Required by FFATA) – New ICJIA failed to report subaward amendment information required by the Federal Funding Accountability and Transparency Act (FFATA) for awards granted to subrecipients of the Crime Victim Assistance (CVA) program.

For 18 FFATA reports reviewed, four had amendments that were required to be reported. ICJIA did not report any amendment information. ICJIA does not have adequate controls in place to ensure the subaward amendment information reported is complete and accurate for initial and amended subawards.

ICJIA passed through approximately \$72,946,000 to subrecipients of the CVA program during the year ended June 30, 2021.

Cause:

In discussing these conditions with ICJIA officials, they stated they were not aware amendments were required to be reported under FFATA.

Possible Asserted Effect:

Failure to report subaward amendments in accordance with FFATA results in noncompliance with federal requirements.

Repeat Finding:

A similar finding was not reported in the prior year audit. (Finding Code 2021-028)

Views of ICJIA Officials:

ICJIA agrees with this finding. Staff were only aware that original designation amounts and performance period parameters were required, not subsequent adjustments. Staff understood that once submissions were made, they were locked by DOJ for their purposes, negating the need for updates. Staff could not find specific directives in any FFATA reporting instructions involving these issues.

2021-29. The auditors recommend ICJIA implement procedures to ensure earmarking requirements are met by the State.

Finding: *(Failure to Maintain Adequate Documentation for Earmarking Requirements) – First reported 2017, last reported 2019*

ICJIA did not maintain adequate documentation to substantiate the earmarking requirements of the Crime Victim Assistance (CVA) Program were met during the federal FY 2017.

ICJIA is required to earmark a portion of its Crime Victim Assistance award to fund activities relative to victims of crimes in three priority areas designated by USDOJ (10% for each priority area) and to underserved victims (10%). The three priorities designated by USDOJ include child abuse, domestic and family violence, and sexual assault. Additionally, USDOJ has identified underserved victims to include victims of federal crimes, survivors of homicide victims, or victims of assault, robbery, gang violence, hate and bias crimes, intoxicated drivers, bank robbery, economic exploitation and fraud, and elder abuse.

During their testing of the Victims of Crime Act (VOCA) progress report for the federal FY17 ended September 30, 2017 (filed in State FY21), auditors noted ICJIA reported the following amounts for each of the earmarking requirements:

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Earmarking Requirement	2017-VA-GX-0048	
	Dollars	Percentage
Child Abuse	\$8,359,939	12%
Domestic and Family Violence	30,382,113	42%
Sexual Assault	16,684,993	23%
Underserved	4,860,831	7%

ICJIA has not established appropriate internal controls to ensure earmarking requirements are met in accordance with federal requirements, specifically for the underserved victims' requirement.

Cause:

In discussing these conditions with ICJIA officials, they stated a lack of staff resources combined with competing priorities for the limited resources did not allow for adequate monitoring of the earmarking requirements to ensure expenditures were incurred by the subrecipients.

Possible Asserted Effect:

Failure to meet earmarking requirements results in noncompliance with federal requirements.

Repeat Finding:

A similar finding was reported in a prior year audit as finding number 2019-055. (Finding Code 2021-029, 2019-055)

Views of ICJIA Officials:

ICJIA agrees with this finding. After extensive review of the priority funding amounts for Grant Number 2017-VA-GX-0048, it has been determined that ICJIA was not compliant with the 10% threshold for underserved populations.