

Single Audit of the State of Illinois for the Fiscal Year Ended June 30, 2014 **A-77-15-00008**



August 2015

Office of Audit Report Summary

Objective

To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to the Social Security Administration (SSA) for resolution action.

Background

KPMG LLP conducted the single audit of the State of Illinois. SSA is responsible for resolving single audit findings related to its Disability programs. The Illinois Department of Human Services (IDHS) is the Illinois Disability Determination Services' (DDS) parent agency.

Findings

The single audit reported IDHS:

- Did not have adequate controls over payroll costs charged to Federal programs. Specifically, the salary costs charged to Federal programs for some employees did not agree with salary documentation in employee personnel files.
- Did not have adequate controls over information systems to ensure systems access is secured.

The single audit also reported

- The Governor's Office of Management and Budget does not have adequate procedures to ensure the Treasury State Agreement (TSA) is amended in accordance with Federal regulations. Therefore, the disability program was not included in the TSA as required.
- IDHS inaccurately reported Federal expenditures to the Illinois Office of the Comptroller.

The single audit identified multiple Federal programs, including SSA, responsible for resolving these findings. However, as the cognizant agency, the Department of Health and Human Services will resolve these findings on behalf of the Federal Government. Therefore, we are bringing these matters to your attention, but are not making recommendations.

Recommendations

We recommend that SSA:

1. Ensure IDHS implemented adequate controls over payroll costs charged to its programs.
2. Verify that IDHS implemented adequate controls to ensure secured access to information systems.