

# Audit of Illinois Federal Programs Raises Compliance and Monitoring Concerns

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CHICAGO, IL, UNITED STATES, January 8, 2026 /EINPresswire.com/ -- Minnesota is now under intense scrutiny for major oversight breakdowns in federal programs, failures that a new Truth in Accounting analysis shows are far from isolated, with similar red flags already exposed in Illinois and raising serious nationwide concerns about accountability.

According to Illinois' most recent audit of federal programs, independent auditors issued adverse opinions on compliance for two major federal programs, finding that required monitoring and risk assessments were not performed. In both cases, state agencies passed through large sums of federal funds without ensuring they were used for authorized purposes.

The most serious finding involved the COVID-19 Homeowner Assistance Fund (HAF). Auditors reported that the Illinois Department of Human Services failed to conduct any of the federally required monitoring of the Illinois Housing Development Authority, the agency managing the funds. Approximately \$177 million in HAF money was distributed without risk assessments or oversight, leading auditors to conclude the program did not comply with federal requirements in all material respects.

Auditors reached a similar conclusion for the Crime Victim Assistance program. The Illinois Criminal Justice Information Authority received an adverse opinion after failing to follow its own risk-based and on-site monitoring policies while passing through approximately \$75.3 million in federal funds. Required site visits were not conducted for several agencies receiving funds, reflecting a severe breakdown in oversight.

Beyond these adverse findings, auditors issued qualified opinions on compliance for several additional major programs, including the Child Care and Development Fund Cluster, Unemployment Insurance, SNAP, WIC, and multiple COVID-19 relief programs. Qualified opinions indicate material compliance weaknesses or insufficient audit evidence.

"These audit findings raise concerns that similar oversight failures may be occurring beyond one or two states," said Sheila Weinberg, founder and CEO of Truth in Accounting. "When taxpayers' dollars are being spent, meaningful accountability is essential. Without strong oversight and reliable financial data, neither taxpayers nor policymakers can be confident that public funds are being used as intended."

Illinois' challenges also extend to statewide financial reporting. The state's fiscal year 2023 Annual Comprehensive Financial Report (ACFR) received a qualified audit opinion after auditors were unable to verify the accuracy and completeness of unemployment insurance CARES Act payments for 2,828 claimants who received more than \$6.1 million in benefits.

As of this writing, Illinois has not yet released its fiscal year 2024 ACFR or Single Audit, leaving it unclear whether these deficiencies have been addressed.

Truth in Accounting notes that similar oversight failures in Minnesota's Child Care Assistance Program led to federal payment freezes and heightened scrutiny after attendance reporting and provider compliance problems were uncovered—demonstrating the real-world consequences when monitoring systems fail.

"When required oversight is ignored, and problems go uncorrected, large federal programs can operate for years without adequate safeguards," Weinberg added. "Illinois and Minnesota show how federal funds are at risk when accountability is treated as optional."

Judi Willard

Truth in Accounting

+1 217-801-5821

[email us here](#)

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