



**State Of Illinois  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2023**

**Performed as Special Assistant Auditors  
for the Auditor General, State of Illinois**

**STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2023**

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STATE OF ILLINOIS  
**OFFICE OF EXECUTIVE INSPECTOR GENERAL**  
**FOR THE AGENCIES OF THE ILLINOIS GOVERNOR**  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2023

**AGENCY OFFICIALS**

Executive Inspector General	Ms. Susan M. Haling
General Counsel	Mr. Neil P. Olson
Chief Fiscal Officer/Chicago Operations Manager (12/01/2021 to Present)	Ms. Ogochukwu Akpan
Chief Fiscal Officer (08/27/2021 to 11/30/2021)	Vacant
Chief Administrative Officer* (07/01/2021 to 08/26/2021)	Ms. Claudia P. Ortega
Deputy Inspector General and Chief of Chicago Division	Ms. Fallon Opperman
Deputy Inspector General and Chief of Springfield Division Acting (07/01/2021 to Present)	Ms. Angela Luning
Director, Hiring & Employment Monitoring Division	Ms. Erin K. Bonales
Deputy Inspector General – Executive Projects	Ms. Christine Benavente

\*Due to a reorganization, this position has been eliminated and changed to Chief Fiscal Officer.

**AGENCY OFFICES**

The Office's administrative offices are located at:

69 W. Washington Street, Suite 3400  
Chicago, Illinois 60602

607 East Adams Street, 14<sup>th</sup> Floor  
Springfield, Illinois 62701



OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR

69 WEST WASHINGTON STREET, SUITE 3400  
CHICAGO, ILLINOIS 60602  
(312) 814-5600

MANAGEMENT ASSERTION LETTER

March 12, 2024

Adelfia LLC  
400 E. Randolph Street, Suite 700  
Chicago, Illinois 60601

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Office of the Executive Inspector General for the Agencies of Illinois Governor (Office). We are responsible for, and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Office's compliance with the following specified requirements during the two-year period ended June 30, 2023. Based on this evaluation, we assert that during the years ended June 30, 2022, and June 30, 2023, the Office has materially complied with the specified requirements listed below.

- A. The Office has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Office has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Office has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Office are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

State of Illinois, Office of the Executive Inspector General  
for the Agencies of Illinois Governor

**SIGNED ORIGINAL ON FILE**

Susan Haling  
Executive Inspector General

**SIGNED ORIGINAL ON FILE**

Ogochukwu Akpan  
Chief Fiscal Officer

**SIGNED ORIGINAL ON FILE**

Neil Olson  
General Counsel

**STATE OF ILLINOIS  
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**STATE COMPLIANCE REPORT**

**SUMMARY**

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

**ACCOUNTANT’S REPORT**

The Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<b>Number of</b>	<b><u>Current Report</u></b>	<b><u>Prior Report</u></b>
Findings	5	4
Repeated Findings	3	-
Prior Recommendations Implemented or Not Repeated	1	-

**SCHEDULE OF FINDINGS**

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Last/First Reported</u></b>	<b><u>Description</u></b>	<b><u>Finding Type</u></b>
<b>Current Findings</b>				
2023-001	9	New	Noncompliance with the Fiscal Control and Internal Auditing Act	Significant Deficiency and Noncompliance
2023-002	11	2021/2021	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2023-003	14	2021/2021	Disaster Recovery Planning Weaknesses	Significant Deficiency and Noncompliance
2023-004	16	2021/2021	Inadequate Controls over Service Providers	Significant Deficiency and Noncompliance
2023-005	18	New	Late Submission of Census Data Reconciliation Certification	Significant Deficiency and Noncompliance

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**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>
<b>Prior Finding Not Repeated</b>			
A	20	2021	Information Technology Access Weaknesses

**EXIT CONFERENCE**

The Office waived an exit conference in a correspondence from Neil Olson, General Counsel, on February 27, 2024. The responses to the recommendations were provided by Neil Olson, General Counsel, in a correspondence dated March 5, 2024.



**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Report on State Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Office of Executive Inspector General for the Agencies of the Illinois Governor's Office (Office) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2023. Management of the Office is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Office has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Office has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Office has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Office are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.



Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Office complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Office's compliance with the specified requirements.

In our opinion, the Office complied with the specified requirements during the two years ended June 30, 2023, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2023-001 through 2023-005.

The Office's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Office's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

## **Report on Internal Control Over Compliance**

Management of the Office is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Office's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Office's compliance with the specified requirements and to test and report on the Office's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control,

such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001 through 2023-005 that we consider to be significant deficiencies.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter.

The Office's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Office's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
March 12, 2024

**STATE OF ILLINOIS**  
**OFFICE OF EXECUTIVE INSPECTOR GENERAL**  
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**SCHEDULE OF FINDINGS – CURRENT FINDINGS**  
**For the Two Years Ended June 30, 2023**

2023-001. **FINDING** (Noncompliance with the Fiscal Control and Internal Auditing Act)

The Office of Executive Inspector General for the Agencies of the Illinois Governor (Office) did not comply with the Fiscal Control and Internal Auditing Act (FCIAA).

The certifications of compliance with the FCIAA for Fiscal Year 2022 and Fiscal Year 2023 were not filed timely. The certifications were filed 200 and 8 calendar days late, respectively.

The FCIAA (30 ILCS 10/3003) requires the Office to file the FCIAA certification by May 1 of each year. Each chief executive officer of all State agencies shall, on the basis of an evaluation conducted in accordance with guidelines established under Section 3002, prepare, and transmit to the Auditor General a certification that:

- (1) the systems of internal fiscal and administrative controls of the State agency fully comply with the requirements; or
- (2) the systems of internal fiscal and administrative controls of the State agency do not fully comply with the requirements.

If the systems do not fully comply with the requirements, the certification shall include a report describing any material weaknesses in the systems of internal controls and the plans and schedule for correcting the weaknesses, or a statement of the reasons why the weaknesses cannot be corrected.

Office management stated the exceptions noted were due to significant staffing changes within the Office's Finance Division.

Late submission of FCIAA certification represents noncompliance with the FCIAA and could lead to the Office being unable to timely address identified internal control deficiencies. (Finding Code No. 2023-001)

**RECOMMENDATION**

We recommend the Office perform timely evaluations of its systems of internal fiscal and administrative controls and timely file annual certifications regarding the evaluation with the Auditor General as required by the FCIAA.

**OFFICE RESPONSE**

The Office agrees that the FCIAA certifications were not timely filed during the audit period due to significant staff turnover. The Finance Division, responsible for the FCIAA preparation and filing, was without a Chief Fiscal Officer (CFO) for three months in 2021 and the new CFO, who started in December 2021, did not have prior CFO experience with the State. In addition, the Accounting Clerk position was vacant from February 1, 2021 to August 2, 2021.

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2023-001. **FINDING** (Noncompliance with the Fiscal Control and Internal Auditing Act)  
(Continued)

The Office became aware of the FCIAA certification issue prior to this audit being conducted and resolved the issue by conducting a comprehensive review of the new requirements of FCIAA certifications instituted in September 2022 to ensure its late filings were accurate, and then filed. The Office also increased the number of employees in the Finance Division including an additional Administrative Assistant who is, in part, responsible for tracking compliance deadlines.

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2023-002. **FINDING** (Weaknesses in Cybersecurity Programs and Practices)

The Office of Executive Inspector General for the Agencies of the Illinois Governor (Office) had not implemented adequate internal controls related to cybersecurity programs, practices, and control of confidential information.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices.

In order to meet its primary role of “investigating allegations of misconduct and making reports of its findings to affected public agencies and officials,” the Office utilized several IT applications which contained confidential and personal information. During our examination of the Office’s cybersecurity program, practices, and control of confidential information, we noted the Office had not:

- Developed a formal, comprehensive, adequate, and communicated security program (including policies, procedures, and processes as well as clearly defined responsibilities over the security of computer programs and data) to manage and monitor the regulatory, legal, environmental and operation requirements.
- Developed a project management framework to ensure new applications and systems were adequately developed and implemented in accordance with management’s expectations.
- Developed a risk management methodology and implemented risk reducing internal controls.
- Established a process to review and ensure security incidents identified by the Department of Innovation and Technology (DoIT) involving the Office’s systems or data were fully remediated and related vulnerabilities were assessed.
- Established a data classification methodology for classifying its data to ensure adequate protection of the data.

The Framework for Improving Critical Infrastructure Cybersecurity and the Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology requires entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

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2023-002. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State's resources.

Office management stated the drafting and review of these policies were significant tasks involving senior staff and IT personnel. There was also turnover in the IT Director position in FY22. For these reasons, the drafting and approval of these policies extended beyond June 30, 2023.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities, which could ultimately lead to the Office's confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2023-002; 2021-001)

**RECOMMENDATION**

We recommend the Office continue to work with DoIT to obtain a detailed understanding of responsibilities related to cybersecurity controls. Additionally, we recommend the Office:

- Develop a formal, comprehensive, adequate, and communicated security program to manage and monitor the regulatory, legal, environmental, and operational requirements.
- Develop a formal project management framework to ensure new applications are adequately developed and implemented in accordance with management's expectations.
- Develop a risk management methodology and implement risk reducing internal controls.
- Establish a process to review and ensure security incidents identified by DoIT involving the Office's systems or data are fully remediated and related vulnerabilities are assessed.
- Develop a data classification methodology.

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2023-002. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) (Continued)

**OFFICE RESPONSE**

The Office agrees that it did not implement policies during the audit period due to needing more time to adequately create those policies. After the last biennial audit cycle, the Office recognized the need to draft and implement comprehensive cybersecurity policies and began that process. However, due to a turnover in the IT Director position, there was some delay. The Office was able to complete and institute those policies in December 2023. The current policies cover the following areas: Acceptable Use; Access Control; Criminal Justice Information System and Law Enforcement Agencies Data System; Contingency Planning; Encryption; Incident Response; Key Roles and Responsibilities; Media Protection; Mobile Device Security; Personnel Security; Physical and Environmental Protection; Policy Compliance; Risk Assessment; Security Awareness and Training; Security Planning; System and Services Acquisition; and Technology Equipment Disposal. The Office has shared the new policies with the audit team.

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2023-003. **FINDING** (Disaster Recovery Planning Weaknesses)

The Office of Executive Inspector General for the Agencies of the Illinois Governor (Office) had not developed a comprehensive Disaster Recovery plan.

In order to carry out its mission, the Office utilizes two IT applications considered critical to its operations, in addition to applications managed by Department of Innovation and Technology (DoIT).

The Office had not developed a comprehensive disaster recovery plan that identifies all critical assets and information in its network, as well as actions to be taken in the event of a disaster. The Office provided a contingency plan document for one application only. The Office did not have a Contingency Plan encompassing the entire network and identifying critical assets/information. Further, a full disaster recovery test has not yet been performed for all its applications.

The Contingency Planning Guide for Information Technology Systems published by the National Institute of Standards and Technology requires entities to have an updated and regularly tested disaster contingency plan to ensure the timely recovery of applications and data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State's resources.

Office management stated the drafting and review of these policies were significant tasks involving senior staff and IT personnel. There was also turnover in the IT Director position in FY22. For these reasons, the drafting and approval of these policies extended beyond June 30, 2023.

Without an adequately documented and tested contingency plan, the Office cannot ensure its critical systems can be recovered within an acceptable period, and therefore minimize the impact associated with a disaster. (Finding Code No. 2023-003; 2021-002)

**RECOMMENDATION**

We recommend the Office work with the DoIT to determine responsibilities and assist in developing a disaster recovery plan to ensure the timely recovery of their application and data. Additionally, once developed, we recommend the Office periodically test the disaster recovery plan and maintain documentation of the tests performed.



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2023-003. **FINDING** (Disaster Recovery Planning Weaknesses) (Continued)

**OFFICE RESPONSE**

The Office agrees that it did not fully implement disaster recovery policies during the audit period. After the last biennial audit cycle, the Office recognized the need to draft and implement comprehensive cybersecurity policies and began that process. However, due to a turnover in the IT Director position, there was some delay. The Office was able to complete and institute those policies in December 2023. They cover the following areas: Acceptable Use; Access Control; Criminal Justice Information System and Law Enforcement Agencies Data System; Contingency Planning; Encryption; Incident Response; Key Roles and Responsibilities; Media Protection; Mobile Device Security; Personnel Security; Physical and Environmental Protection; Policy Compliance; Risk Assessment; Security Awareness and Training; Security Planning; System and Services Acquisition; and Technology Equipment Disposal. Documented procedures are now in place for disaster recovery, namely Contingency Planning and Incident Response. The Office has shared the new policies with the audit team.

**STATE OF ILLINOIS**  
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2023-004. **FINDING** (Inadequate Controls over Service Providers)

The Office of Executive Inspector General for the Agencies of the Illinois Governor (Office) had not implemented adequate internal controls over its service providers.

In order to carry out its mission, the Office utilized service providers for hosting services and software as a service. We performed testing over the service providers identified. During our testing, we noted the Office had not obtained System and Organization Control (SOC) reports or conducted independent internal control reviews of one of the three (33%) service providers identified by the Office.

The Office was able to provide the assessment of the SOC reports for two of three external service providers identified. However, the following were noted in relation to the review done by the Office:

- The review did not provide details on specific areas assessed in the SOC report and the impact to the Office’s internal control environment.
- The FY22 review of the Department of Innovation and Technology SOC reports was done based on the report issued under *Government Auditing Standards* and did not include the review of the full SOC reports. Further, the review did not specify the Office’s assessment of the impact to their internal control environment and specific actions to be taken or compensating controls in place, by the Office.
- The Office’s review of the SOC reports do not identify the controls in place to address Complementary User Entity Controls (CUECs) related to the Office’s operations as listed in the SOC reports.
- The Office did not obtain and review SOC reports for subservice organizations or perform alternative procedures or evaluation to satisfy itself that the existence of the subservice organization would not impact its internal control environment.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State’s resources.

The Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology, Maintenance and System and Service Acquisition sections, requires entities outsourcing their IT environment or operations to obtain assurance over the entities internal controls related to the services provided. Such assurance may be obtained via System and Organization Control reports or independent reviews.

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2023-004. **FINDING** (Inadequate Controls over Service Providers) (Continued)

Office management stated the Office has continuously coordinated with one service provider to provide a SOC report; however, the service provider has not been able to produce one. Additionally, the Office was not aware it should document any review related to these subservice providers apart from its review of the main service provider's services.

Without having obtained and reviewed a SOC report or another form of independent internal controls review, the Office does not have assurance the service providers' internal controls are adequate. (Finding Code No. 2023-004; 2021-004)

**RECOMMENDATION**

We recommend the Office strengthen its controls and document all service providers utilized. Further, we recommend the Office obtain SOC reports or conduct independent internal control reviews at least annually. In addition, we recommend the Office:

- Monitor and document the operation of the CUECs related to the Office's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its 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 impact to the Office, and any compensating controls.

**OFFICE RESPONSE**

The Office agrees that it did not review a SOC report from one service provider due to the service provider not providing the Office with a SOC report after a request to the vender was made.

The Office disagrees with the remainder of the finding regarding the Office's review and documentation of review of SOC reports. The Office has been conducting reviews of SOC reports of its two service providers. During the last biennial audit cycle, the Office requested advice on how to document the Office's reviews it had been conducting of SOC reports. Based on that advice, the Office documented the fact of its review of SOC reports. For this audit cycle, there has been additional requests and guidance regarding the type of documentation that should be created after reviews of SOC reports. The Office will implement those practices going forward.

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2023-005. **FINDING** (Late Submission of Census Data Reconciliation Certification)

The Office of Executive Inspector General for the Agencies of the Illinois Governor (Office) did not submit the Census Data Reconciliation Certification (Certification) to the State Employees' Retirement System (SERS) in a timely manner.

The Office submitted the Fiscal Years 2021 and 2022 Certifications 14 days late, past the required due dates of September 1, 2021, and November 1, 2022.

The AICPA's Audit and Accounting Guide: State and Local Governments (Audit Guide) recommends that employee census data should be reconciled annually by each agency to a report provided by SERS and used by its actuaries. This reconciliation process will help mitigate the risk of using incomplete or inaccurate data and will ensure the accuracy of reported pension and Other post-employment benefits liabilities. Further, this reconciliation process ensures the completeness of agency and plan data, reduces payroll errors, confirms personnel files are up-to-date, and most importantly decreases the risks of financial misstatements. The Annual Census Data Reconciliation Guidance sent by SERS to each Agency required Fiscal Years 2021 and 2022 Certifications be submitted prior to September 1, 2021, and November 1, 2022, respectively.

The State Records Act (5 ILCS 160/8) requires the Office make and preserve records containing adequate and proper documentation of its essential transactions to protect the legal and financial rights of the State and of persons directly affected by the Office's activities.

The Office management stated late submissions were caused by technical issues. For the Fiscal Year 2021 Certification, a user account needed to be established to make the filing, and the Office did not receive the file for review until the day before the due date. Regarding the Fiscal Year 2022 Certification, the user password needed to be reset prior to filing.

The untimely submission of certifications increases the likelihood of using incomplete or inaccurate data, exposing the retirement system to significant and pervasive errors. Such errors can cause misstatements in pension liability reported at both the plan and agency levels. (Finding Code No. 2023-005)

**RECOMMENDATION**

We recommend the Office implement controls to ensure the Certifications are submitted timely to SERS.

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2023-005. **FINDING** (Late Submission of Census Data Reconciliation Certification)  
(Continued)

**OFFICE RESPONSE**

The Office agrees that these certifications were not timely filed during the audit period. The short delays in filing the Fiscal Year 2021 and Fiscal Year 2022 certifications were caused by technical issues involving the need to establish a user account and having to request a password reset prior to filing. The Fiscal Year 2023 certification has been timely filed.

**STATE OF ILLINOIS  
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SCHEDULE OF FINDINGS – PRIOR FINDING NOT REPEATED  
For the Two Years Ended June 30, 2023**

A. **FINDING** (Information Technology Access Weaknesses)

During the prior examination, the Office had not implemented adequate internal controls related to applications access and control.

During the current examination, we noted the Office developed its access provisioning policies and procedures. Our sample testing indicated internal controls over applications access were implemented. (Finding Code No. 2021-003)