



State of Illinois
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
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
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023**

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**STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
STATE COMPLIANCE EXAMINATION
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COUNCIL OFFICIALS

Director	Kimberly Mercer-Schleider
Associate Director of Finance & Operations	Janinna Hendricks
Associate Director of Program & Policy	Mariel Hamer-Sinclair

COUNCIL OFFICERS

Chair of the Board (05/2022 – Present)	Ms. Stephanie Brown**
Chair of the Board (01/2004 – 05/2022)	Mr. William Bogdan

COUNCIL BOARD MEMBERS

Council Member (07/2019 – 05/2022)	Ms. Stephanie Brown**
Council Member (06/2022 – Present)	Mr. Tyson Bedford
Council Member (03/2010 – Present)	Ms. Diana Braun
Council Member (10/2020 – Present)	Ms. Lisa Cesal
Council Member (06/2022 - Present)	Ms. Diane Compton
Council Member (03/2017 – Present)	Mr. Adam Cooper
Council Member (06/2022 – Present)	Ms. Natasha Croff
Council Member (07/2019 – Present)	Ms. Ana Cruz
Council Member (03/2021 – Present)	Mr. Curtis Harris
Council Member (03/2017 – Present)	Mr. Nathan Joerndt
Council Member (09/2022 – Present)	Mr. Carl Nave
Council Member (10/2019 – Present)	Ms. Teresa Parks
Council Member (12/2017 – Present)	Ms. Zoubida Pasha
Council Member (06/2022 – Present)	Mr. Bob Peterson
Council Member (06/2022 – Present)	Ms. Consuelo Puente
Council Member (05/2012 – Present)	Mr. Jeff Stauter
Council Member (09/2010 – Present)	Ms. Julie Stover
Council Member (06/2022 – Present)	Ms. Julie Tracy
Council Member (03/2010 – 09/2022)	Ms. Barbara Pritchard
Council Member (03/2018 – 06/2022)	Mr. John Porter
Council Member (07/2019 – 06/2022)	Mr. Tavarus Wesley
Council Member (01/2014 – 06/2022)	Ms. JJ Hanley
Council Member (06/2013 – 06/2022)	Mr. Jose Ovalle
Council Member (06/2014 – 01/2022)	Mr. Vincent Smith
Council Member (10/2022 – 07/2021)	Ms. Suzanne Aaron

**Note-appointed Chair in 05/2022

COUNCIL REPRESENTATIVE BOARD MEMBERS

Department on Aging
Mr. John Eckert – Ms. Sally Lisnek, Designee

**STATE OF ILLINOIS
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Department of Children and Family Services

Ms. Julianna Harms; Ms. Linda Kelly – Geneva Byrd, Designee

Department of Healthcare and Family Services

Mr. James Dimas – *Ms. Susan Fonfa*, Designee

Ms. Theresa Eagleson – Ms. Kelly Cunningham, Designee

Department of Human Services, Office of Community Health & Prevention

Ms. Andrea Palmer

Department of Human Services, Division of Developmental Disabilities

Ms. Kathy Ward – *Ms. Kit O'Brien-Cota*, Designee

Ms. Allison Stark – *Ms. Sandra Ross* & *Ms. Meg Cooch*, Designees

Ms. Sarah Myerscough-Mueller (interim DDD Director) - *Ms. Sandra Ross* & *Ms. Meg Cooch*, Designees

Department of Human Services, Division of Rehabilitation Services

Ms. Quinetta Wade – *Mr. Randy Staton*, Designee

Ms. Rahnee Patrick

State Board of Education

Ms. Heather Calomese – *Ms. Vivian (Sue) Taylor*, Designee

Dr. Carmen Ayala - Dr. Kristina Kynaston, Designee

State Protection and Advocacy System – Equip for Equality

Ms. Zena Naiditch – Ms. Cheryl Jansen, Designee

State University Center for Excellence in DD Education – University of Illinois at Chicago

Ms. Tamar Heller – *Ms. Catherine Keiling Arnold* & Ms. Caitlin Crabb, Designees

Office of Management and Budget

Mr. Marc Staley

Note: Individuals noted in italics are former Representatives and Designees

COUNCIL OFFICES

The Illinois Council on Development Disabilities' primary administrative offices are located at:

ICDD Chicago Office
Michael A Bilandic Building
160 N. LaSalle Street, C1000
Chicago, Illinois 60601

ICDD Springfield Office
830 S. Spring Street
Springfield, Illinois 62704

MANAGEMENT ASSERTION LETTER

June 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, Illinois Council on Developmental Disabilities (Council). 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 Council'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 Council has materially complied with the specified requirements listed below.

- A. The Council 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 Council 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. Other than what has been previously disclosed and reported in the Schedule of Findings, the Council 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 Council 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 Council on behalf of the State or held in trust by the Council 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, Illinois Council on Developmental Disabilities

SIGNED ORIGINAL ON FILE

Stephanie Brown
Council Chair

SIGNED ORIGINAL ON FILE

Kimberly Mercer-Schleider
Director

SIGNED ORIGINAL ON FILE

Janinna Hendricks
Associate Director of Finance and Operations

**STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023**

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 or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	7	5
Repeated Findings	4	2
Prior Recommendations Implemented or Not Repeated	1	3

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2023-001	10	New	Inadequate Controls over Reconciliations	Material Weakness and Material Noncompliance
2023-002	12	2021/2019	Vouchers Processing Weakness	Significant Deficiency and Noncompliance
2023-003	14	2021/2015	Noncompliance with Illinois Council on Developmental Disabilities Law	Significant Deficiency and Noncompliance
2023-004	16	New	Inadequate Controls over Reporting	Significant Deficiency and Noncompliance
2023-005	18	2021/2021	Weaknesses in Cybersecurity Programs	Significant Deficiency and Noncompliance

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SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
2023-006	20	2021/2021	Weakness in Disaster Recovery Planning and Testing	Significant Deficiency and Noncompliance
2023-007	21	New	Inadequate Controls over the Review of Internal Controls over Service Provider	Significant Deficiency and Noncompliance
Prior Finding Not Repeated				
A	23	2021/2021	Inadequate Controls Contracts and Related Functions	

EXIT CONFERENCE

The Council waived an exit conference in a correspondence by Janinna Hendricks, Associate Director of Finance & Operations, on May 31, 2024. The responses to the recommendations were provided by Janinna Hendricks, Associate Director of Finance & Operations, in a correspondence dated June 11, 2024.



INDEPENDENT ACCOUNTANT’S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
State of Illinois, Illinois Council on Developmental Disabilities

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Illinois Council on Developmental Disabilities (Council) 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 Council is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Council’s compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Council 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 Council 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 Council 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 Council 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 Council on behalf of the State or held in trust by the Council 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 Council complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Council 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 modified 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 Council's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirement applicable to the Council during the two years ended June 30, 2023. As described in the accompanying Schedule of Findings as item 2023-001, the Council had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirement described in the preceding paragraph, the Council 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 2023-002 and 2023-007.

The Council's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Council'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 Council 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 Council's internal control to determine the

examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Council's compliance with the specified requirements and to test and report on the Council's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as item 2023-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-002 through 2023-007 to be significant deficiencies.

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

The Council's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Council'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
June 12, 2024

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023

2023-001. **FINDING** (Inadequate Controls over Reconciliations)

The Illinois Council on Developmental Disabilities (Council) failed to properly complete monthly reconciliations of its records maintained by the Office of Comptroller (Comptroller).

During testing, we noted the following:

- Two of 28 (7%) required reconciliations of the Council’s internal expenditures records to the Comptroller’s *Monthly Appropriation Status Report* (SB01) were performed 11 to 27 days late.
- Two of 24 (8%) required reconciliations of the Council’s internal receipts records to the Comptroller’s *Monthly Revenue Status Report* (SB04) reconciliations were performed 11 to 27 days late.
- Two of 24 (8%) required reconciliations of the Council’s internal expenditure and receipt records to the Comptroller’s *Monthly Cash Report* (SB05) were performed 11 to 27 days late.

In addition, during our review of the June 30, 2022 and June 30, 2023 SB05 reconciliations prepared by the Council, we noted differences in beginning balances of \$36,382 for June 30, 2022 and \$10,304 for June 30, 2023 against the SB05 balances. The Council could not provide explanations for those differences.

The Statewide Accounting Management System (SAMS) Manual (Procedure 07.30.20) requires the Council to perform monthly reconciliations of the SB01, SB04, and SB05 to its internal records within 60 days of month end to ensure the early detection and correction of errors.

Council management indicated the issues noted were due to employee oversight, competing priorities, and staff absences.

Failure to timely perform reconciliations of the Councils records to the Office of Comptroller’s reports hinders the ability of staff to identify and correct errors which could result in incomplete and inaccurate financial information and represents noncompliance with the SAMS Manual. (Finding Code No. 2023-001)

RECOMMENDATION

We recommend the Council ensure all reconciliations are prepared timely as required by the SAMS Manual and discrepancies between Comptroller and Council records are reviewed and investigated accordingly.

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SCHEDULE OF FINDINGS – CURRENT FINDINGS
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COUNCIL RESPONSE

The Illinois Council on Developmental Disabilities agrees with the recommendation. The Council will strengthen processes to ensure reconciliations are completed within the required timeframe. In addition, the Council will investigate any discrepancies between the Comptroller and Council records.

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2023-002. **FINDING** (Voucher Processing Weakness)

The Illinois Council on Developmental Disabilities' (Council) internal controls over its voucher processing function were not operating effectively during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning (ERP) System operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Council to determine whether certain key attributes were properly entered by the Council's staff into the ERP. In order to determine the operating effectiveness of the Council's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's ERP System based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

We then conducted an analysis of the Council's expenditures data for Fiscal Years 2022 and 2023 to determine compliance with the State Prompt Payment Act (Act) (30 ILCS 540) and the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70). We noted the Council did not timely approve 149 of 748 (20%) vouchers processed during the examination period, totaling \$554,095. We noted these late vouchers were approved by the Council between one and 192 days late.

Further, we noted for one of 60 (2%) awards and grants vouchers tested, the proper receipt date did not agree with the ERP System receipt date.

The Code (74 Ill. Admin. Code 900.70) requires the Council to timely review each vendor's invoice and approve proper bills within 30 days after receipt. Further, the Code (74 Ill. Admin. Code 900.30) requires the Council maintain records which reflect the date goods were received and accepted, the date services were rendered, and the proper bill date.

This finding was first noted during the examination of the two years ended June 30, 2019 and Council management took substantive steps to implement corrective actions, however, exceptions still persist. In addition, the Council's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Council management indicated the issues noted were due to employee error and COVID-19 pandemic delays related to working remotely. During the current examination, Council management indicated the issues noted were due to inconsistent dates entered into the ERP System and oversight.

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Failure to timely process proper bills represents noncompliance with the Code and the Act. Further, failure to properly enter the key attributes into the State's ERP when processing a voucher for payment hinders the reliability and usefulness of data extracted from the ERP, which can result in improper interest calculations and expenditures. (Finding Code No. 2023-002, 2021-001, 2019-004)

RECOMMENDATION

We recommend the Council strengthen its controls over voucher processing to ensure compliance with State regulations. Further, we recommend the Council ensure the date each invoice is received is accurately recorded in the Council's records.

COUNCIL RESPONSE

The Illinois Council on Developmental Disabilities agrees with the recommendation. The Council will strengthen processes to ensure the correct invoice received date is recorded and entered into the ERP System.

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2023-003. **FINDING** (Noncompliance with Illinois Council on Developmental Disabilities Law)

The Illinois Council on Developmental Disabilities (Council) was not fully seated and had several members serving on expired terms.

During testing, we noted the following:

- The Council’s Board was not fully seated during the examination period. Of the statutorily required 19 seats, we noted 18 were filled. The vacant seat was one of the 2 voting members that represents local and non-governmental agency and private non-profit groups concerned with services for individuals with developmental disabilities.
- Seven of 18 (39%) Board members appointed by the Governor were serving under expired terms as of June 30, 2023. Six of these members served two consecutive terms, and the second term for these individuals expired between January 2015 and January 2023.
- Though the Council provided appointment recommendations and rotational requirements to the Governor’s Office during Fiscal Year 2022, the Council did not advise the Governor’s Office of the Board’s membership requirements and vacancies during Fiscal Year 2023.

The Illinois Council on Developmental Disabilities Law (Law) (20 ILCS 4010/2004.5) requires the Council to be comprised of 19 voting members appointed by the Governor. Of the 19 voting members, the Law (20 ILCS 4010/2004.5(b)) requires the Governor to appoint 17 members who are person with developmental disabilities, parents or guardians of persons with developmental disabilities, or immediate relatives or guardians of persons with mentally-impairing developmental disabilities. In addition, the Law (20 ILCS 4010/2004.5(c)) requires the Governor to appoint two voting members to represent local and non-governmental agencies and private non-profit groups concerned with services for individuals with developmental disabilities. Lastly, the Law (20 ILCS 4010/2004.5(f)) requires the Governor to provide for timely rotation of members. Appointments to the Council shall be for terms of three years, and while members shall serve until their successors are appointed, no member may serve for more than two successive terms. The Council must, at least once each year, advise the Governor on the Council’s membership requirements and vacancies, including rotation requirements.

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This finding was first noted during the examination of the two years ended June 30, 2015 and Council officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Council’s management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Council management indicated they have no control over when the Governor will appoint new members. During the current examination, Council management indicated the Council has worked to find a potential candidate that fulfills the requirement for the specific vacancy for several years with no success and has no control over when the Governor will appoint new members.

Although Council members are allowed to continue to serve past their terms until new appointments are made, failure to timely appoint Council members may affect the full and transparent exercise of the Council’s appointed powers and responsibilities and fail to satisfy the provisions of the Law. (Finding Code No. 2023-003, 2021-003, 2019-003, 2017-003, 2015-001)

RECOMMENDATION

We recommend the Council work with the Governor’s Office to ensure Council vacancies are filled and reappointments or replacements of members with expired terms are made in a timely manner.

COUNCIL RESPONSE

The Illinois Council on Developmental Disabilities agrees with the recommendation. The Council will provide appointment recommendations and rotational requirements to the Governor’s Office in a timely manner.

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2023-004. **FINDING** (Inadequate Controls over Reporting)

The Illinois Council on Developmental Disabilities (Council) did not file statutorily required reports and submissions or did not file them timely.

During testing, we noted the following:

- The Fiscal Year 2023 annual certification was not submitted to the Office of the Auditor General.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3003) requires the Council's Executive Director, based on evaluation of the Council's internal controls performed in accordance with guidelines established by the Comptroller in consultation with the Director of the Department of Central Management Services (DCMS), to prepare and transmit an annual certification by May 1 to the Office of the Auditor General, if the Council's systems either comply or do not fully comply with the Fiscal Control and Internal Auditing.

- The Council did not submit the annual report for Fiscal Year 2021 to the Governor's Office. The Council submitted its annual report for Fiscal Year 2022 to the Governor's Office 46 days late.

The State Finance Act (30 ILCS 105/3) requires the Council, no later than January 7 of each year, to make and deliver to the Governor an annual report of their acts and doings, respectively, arranged so as to show the acts and doings of each for the fiscal year ending in the calendar year immediately preceding the calendar year in which that regular session of the General Assembly convenes.

- The Council submitted the Public Accountability Report (PAR) Program and Indicator Worksheets for Fiscal Years 2021 and 2022 to the Office of Comptroller. However, the Council could not provide sufficient support to verify information reported in the PAR.

The State Records Act (5 ILCS 160/8) requires the Council to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Council designed to protect the legal and financial rights of the State and of persons directly affected by the Council's activities.

- The Fiscal Year 2022 certification of persons required to file Statement of Economic Interest (SOEIs) was submitted to the Secretary of State (SOS) six days late.

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The Illinois Governmental Ethics Act (5 ILCS 420/4A-106) requires the Council to certify to the SOS the names and mailing addresses of those persons required to file a SOEI on or before February 1 annually.

- The Fiscal Years 2022 and 2023 census data reconciliation were not performed and submitted to the State Employee’s Retirement System (SERS).

The SERS Guidance states the AICPA’s *Audit and Accounting Guide: State and Local Governments* recommends employee census data should be reconciled annually by each employer to a report provided by SERS and used by its actuaries. Based on the Fiscal Years 2021 and 2022 SERS Guidance, the Council was requested that the reconciliation and subsequent certification be completed and submitted to SERS prior to September 1, 2021 and November 1, 2022, respectively.

- The Fiscal Year 2022 Annual Inventory Certification was submitted to the Department of Central Management Services (DCMS) 380 days late.

The Illinois Administrative Code (44 Ill. Admin Code 5010.460) requires all agencies to make an annual physical inventory of State equipment on their possession and provide DCMS, on an annual basis, a listing of all equipment items, and equipment that is subject to theft. The DCMS communication to the Council required a filing due date of October 1, 2022.

Council management indicated the issues noted were due to oversight primarily due to competing priorities.

Failure to submit statutorily required reports and information prevents the appropriate oversight authorities from receiving feedback and properly monitoring programs and can have an effect on future decisions. Moreover, failure to submit such reports and retain sufficient documentation represents noncompliance with applicable State laws and regulations. (Finding Code No. 2023-004)

RECOMMENDATION

We recommend the Council strengthen its controls over reporting to ensure statutorily required reports are prepared, submitted timely as required by State laws, and properly supported.

COUNCIL RESPONSE

The Illinois Council on Developmental Disabilities agrees with the recommendation. The Council will strengthen processes to ensure reports are submitted on time and will maintain supporting documentation for information included on the reports.

STATE OF ILLINOIS
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2023-005. **FINDING** (Weaknesses in Cybersecurity Programs)

The Illinois Council on Developmental Disabilities (Council) had not implemented adequate internal controls related to cybersecurity programs and practices.

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. During our examination of the Council’s cybersecurity programs and practices, we noted the Council:

- Had not established and communicated policies, procedures, and processes to manage and monitor regulatory, legal, environmental, and operational requirements.
- Had not completed a formal risk assessment to identify and ensure adequate protection of information (i.e. confidential or personal information) most susceptible to attack.
- Had not classified its data to ensure adequate protection.
- Had not adequately assessed the overall risks or vulnerabilities of information systems and data.
- Had not provided documentation that data wiping was performed for EDP equipment disposed during the covered period.

Further, the Council was not able to provide user security reports for two systems and did not perform a documented, periodic review of the appropriateness of user access during the examination period.

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 (NIST) 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.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission 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.

Council management indicated the issues noted were due to competing priorities and limited resources.

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The lack of adequate cybersecurity programs and practices could result in unidentified risks and vulnerabilities and ultimately lead to being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2023-005, 2021-004)

RECOMMENDATION

We recommend the Council work with the Department of Innovation and Technology (DoIT) to obtain an understanding of each party's responsibilities. Specifically, we recommend the Council:

- Establish and communicate the Council's security program (formal and comprehensive policies, procedures, and processes) to management and monitor the regulatory, legal, environmental, and operational requirements;
- Perform a risk assessment to identify and classify data to ensure adequate protection of confidential and personal information most susceptible to attack;
- Assess and document the overall risks or vulnerabilities of information systems and data; and
- Provide documentation that data wiping was performed for EDP equipment disposed during the covered period.

COUNCIL RESPONSE

The Illinois Council on Developmental Disabilities agrees with the recommendation.

- The Council will adopt some of the DoIT's cybersecurity policies as internal Council policies.
- The Council recently participated in a Risk Assessment and Mitigation Plan with DoIT to address the protection of personal and confidential data as well as the vulnerabilities of any information systems and data.
- Regarding documentation of data wiping –
 - Council Owned EDP Equipment – The Council will maintain and provide documentation that data wiping was performed for EDP equipment on the Council's inventory when it is disposed of or sent to surplus.
 - DoIT Owned EDP Equipment - The Council includes an order for data to be wiped from EDP equipment that is on DoIT's inventory when it submits the ServiceNow ticket to return the EDP equipment device to DoIT.

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2023-006. **FINDING** (Weakness in Disaster Recovery Planning and Testing)

The Illinois Council on Developmental Disabilities (Council) had not developed a comprehensive Disaster Recovery plan.

In order to carry out its mission, the Council utilizes several information technology (IT) applications.

During our examination, we requested the Council’s disaster recovery plan to ensure timely recovery of its applications and data. However, the Council had not developed a disaster recovery plan. Further, a full disaster recovery test has not yet been performed.

The *Contingency Planning Guide for Information Technology Systems* published by the National Institute of Standards and Technology (NIST) 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.

Council management indicated the issues noted were due to competing priorities and limited resources.

Without an adequately documented and tested contingency plan, the Council cannot ensure its critical systems could be recovered within an acceptable period, thereby minimizing the impact associated with a disaster. (Finding Code No. 2023-006, 2021-005)

RECOMMENDATION

We recommend the Council create a disaster recovery plan and perform recovery testing, at least annually.

COUNCIL RESPONSE

The Illinois Council on Developmental Disabilities agrees with the recommendation. The Council recently participated in a Risk Assessment and Mitigation Plan with the Department of Innovation and Technology (DoIT) and will adopt applicable parts of DoIT’s disaster recovery plan as an internal Council plan. The Council is still working with DoIT to determine how to perform a disaster recovery test given the critical applications that the Council uses are DoIT applications.

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SCHEDULE OF FINDINGS – CURRENT FINDINGS
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2023-007. **FINDING** (Inadequate Controls over the Review of Internal Controls over Service Provider)

The Illinois Council on Developmental Disabilities (Council) had not implemented adequate internal controls over its service provider.

The Council utilized a third-party service provider for hosting services, software as a service, infrastructure as a service, systems development, and program maintenance. During testing, we noted the Council had not:

- Developed a process for identifying service providers and assessing the effect on internal controls of these services.
- Obtained System and Organization Control (SOC) reports or conducted independent internal control reviews of its service provider.
- Conducted an analysis of SOC reports to determine the impact of the modified opinion(s) or the noted deviations.
- Conducted an analysis of the Complementary User Entity Controls (CUECs) documented in SOC reports.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on 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 that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations and properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to 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 (NIST), 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.

Council management indicated the Council was not aware of this requirement until it received notification from the Department of Innovation and Technology (DoIT) that a SOC report was being issued by the Office of the Auditor General in September 2023.

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Without adequate reviews of SOC reports or another form of independent internal controls review, the Council does not have assurance the service providers' internal controls are adequate to ensure proper accounting and safekeeping of assets and data. (Finding Code No. 2023-007)

RECOMMENDATION

We recommend the Council implement controls over its service provider to include:

- Develop a process for identifying service providers and assess the effect on internal controls of these services;
- Obtain SOC reports or conduct independent internal control reviews of its service provider;
- Conduct an analysis of SOC reports to determine the impact of the modified opinion(s) or the noted deviations;
- Conduct an analysis of the Complementary User Entity Controls (CUECs) documented in SOC reports; and
- Obtain and review SOC reports for subservice organizations or perform alternative procedures to determine the impact on its internal control environment.

COUNCIL RESPONSE

The Illinois Council on Developmental Disabilities accepts the recommendation. The Council has identified that DoIT is the only provider of its IT functions and has no authority to utilize any other provider. The Council will obtain and review the necessary SOC reports.

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SCHEDULE OF FINDINGS –PRIOR FINDING NOT REPEATED
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A. **FINDING** (Inadequate Controls over Contracts and Related Functions)

During the prior examination, the Illinois Council on Developmental Disabilities (Council) did not exercise adequate control over contracts and related functions.

During the current examination, our sample testing showed the Council had adequate controls over contracts and related functions. (Finding Code No. 2021-002)