



**STATE OF ILLINOIS
OFFICE OF THE STATE'S ATTORNEYS APPELLATE PROSECUTOR**

STATE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2022

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

STATE OF ILLINOIS
OFFICE OF THE STATE'S ATTORNEYS APPELLATE PROSECUTOR
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022

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STATE OF ILLINOIS
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OFFICE OFFICIALS

Director	Mr. Patrick J. Delfino
Associate Director	Mr. Matthew P. Jones
Chief Fiscal Officer	Ms. Gloria Mundy

BOARD OFFICERS

Chair of the Board (07/22/20 – Present)	Mr. Ben Goetten
Chair of the Board (07/01/18 – 07/21/20)	Mr. Justin Hood
Vice-Chairman of the Board (11/10/22 – Present)	Mr. Denton Aud
Vice-Chairman of the Board (7/22/20 – 11/10/22)	Mr. Brandon J. Zanotti
Vice-Chairman of the Board (7/01/18 – 07/21/20)	Mr. Ben Goetten
Secretary of the Board	Mr. Gray H. Noll

GOVERNING BOARD MEMBERS

Board Member	Ms. Kimberly M. Foxx
Board Member (07/22/20 – Present)	Mr. Robert Berlin
Board Member (07/01/18 – 07/21/20)	Mr. Joseph H. McMahon
Board Member (07/22/20 – Present)	Mr. Eric Weis
Board Member (12/13/18 – 07/21/20)	Mr. Michael G. Nerheim
Board Member (11/10/22 – Present)	Mr. Joseph R. Navarro
Board Member (07/22/20 – 11/9/22)	Mr. Colby Hathaway
Board Member (6/27/19 – 7/21/20)	Mr. Andrew Doyle
Board Member (3/10/17 – 9/18/2022)	Mr. Stewart J. Umholtz
Board Member	Mr. Ben Goetten
Board Member	Mr. Gray H. Noll
Board Member (7/22/20 – Present)	Mr. Denton Aud
Board Member (12/2009 – 7/21/20)	Mr. Justin Hood

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Board Member (3/29/22 – Present)
Board Member (7/22/20 –12/17/21)
Board Member (9/29/18 – 7/21/20)

Mr. James Gomric
Mr. Michael M. Havera
Ms. Julia Reitz

Board Member (12/13/17 – 7/22/22)

Mr. Brandon J. Zanotti

BOARD OFFICES

The Office of the State’s Attorneys Appellate Prosecutor’s primary administrative office is located at:

725 South Second Street
Springfield, Illinois 62704



STATE'S ATTORNEYS APPELLATE PROSECUTOR

Administrative Office • 725 South Second Street • Springfield, IL 62704 • 217-782-1628 • Fax 217-782-6305

PATRICK J. DELFINO
DIRECTOR

BEN GOETTEN
CHAIRMAN

DAVID J. ROBINSON
CHIEF DEPUTY DIRECTOR

September 28, 2023

DEPUTY DIRECTORS

EDWARD R. PSENICKA
SECOND DISTRICT

THOMAS D. ARADO
THIRD DISTRICT

DAVID J. ROBINSON
FOURTH DISTRICT

PATRICK D. DALY
FIFTH DISTRICT

Kerber, Eck & Braeckel LLP
3200 Robbins Rd, Suite 200A
Springfield, IL 62704

Ladies and Gentlemen:

BOARD OF GOVERNORS

FIRST DISTRICT:

KIMBERLY M. FOX
STATE'S ATTORNEY
COOK COUNTY

SECOND DISTRICT:

PATRICK D. KENNEALLY
STATE'S ATTORNEY
McHENRY COUNTY

ERIC WEIS

STATE'S ATTORNEY
KENDALL COUNTY

THIRD DISTRICT:

ROBERT BERLIN
STATE'S ATTORNEY
DuPAGE COUNTY

JOSEPH R. NAVARRO
STATE'S ATTORNEY
LaSALLE COUNTY

FOURTH DISTRICT:

BEN GOETTEN
STATE'S ATTORNEY
JERSEY COUNTY

J. HANLEY
STATE'S ATTORNEY
WINNEBAGO COUNTY

GRAY HERNDON NOLL
STATE'S ATTORNEY
MORGAN COUNTY

FIFTH DISTRICT:

DENTON AUD
STATE'S ATTORNEY
WHITE COUNTY

JAMES GOMRIC
STATE'S ATTORNEY
ST. CLAIR COUNTY

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 State's Attorneys Appellate Prosecutor (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, 2022. Based on this evaluation, we assert that during the years ended June 30, 2022 and June 30, 2021, the Office has materially complied with the specified requirements 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 State's Attorneys Appellate Prosecutor

SIGNED ORIGINAL ON FILE
Patrick Delfino, Director

SIGNED ORIGINAL ON FILE
Gloria Mundy, Chief Fiscal Officer

**STATE OF ILLINOIS
OFFICE OF THE STATE'S ATTORNEYS APPELLATE PROSECUTOR
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with the 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 a material weakness over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	1	1
Repeated Findings	1	0
Prior Recommendations Implemented or Not Repeated	0	1

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2022-001	10	2020/2020	Lack of Adequate Controls Over the Review of Internal Controls of Service Providers	Material Weakness and Material Noncompliance

STATE OF ILLINOIS
OFFICE OF THE STATE'S ATTORNEYS APPELLATE PROSECUTOR
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022

EXIT CONFERENCE

The finding 2022-001 and the associated recommendation appearing in this report was discussed with Office personnel at an exit conference on September 22, 2023.

Attending were:

Representing Office of the State's Attorneys Appellate Prosecutor

Patrick Delfino, Director
Gloria Mundy, Chief Fiscal Officer
Matthew Richter, Chief Technology Officer

Representing Kerber, Eck & Braeckel LLP

Josh Shugart, Partner

Representing the Office of the Auditor General

Dennis Gibbons, Senior Audit Manager

The responses to these recommendations were provided by Gloria Mundy, in a correspondence dated September 28, 2023.

Independent Accountant's Report on State Compliance and on Internal Control Over Compliance

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Governing Board
State of Illinois, Office of the State's Attorneys Appellate Prosecutor

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Office of the State's Attorneys Appellate Prosecutor (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, 2022. 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 judgment, 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 Office's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirement applicable to the Office during the two years ended June 30, 2022. As described in the accompanying Schedule of Findings as item 2022-001, the Office 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 from the specified requirement described in the preceding paragraph, the Office complied with the specified requirements during the two years ended June 30, 2022, in all material respects.

The Office's response to the compliance finding identified in our examination is described in the accompanying Schedule of Findings. The Office's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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 a 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 identify a deficiency in internal control, described in the accompanying Schedule of Findings as item 2022-001 that we consider to be a material weakness.

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

The Office's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The Office's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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

Springfield, Illinois
September 28, 2023

STATE OF ILLINOIS
OFFICE OF THE STATE'S ATTORNEYS APPELLATE PROSECUTOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022

2022-001. **FINDING:** Lack of Adequate Controls Over the Review of Internal Controls of Service Providers

The Office of the State's Attorneys Appellate Prosecutor (Office) did not implement adequate controls over its service providers.

The Office utilized three service providers for software as a service and hosting services. The data controlled by these service providers is critical to the Office's operations and contains confidential information.

During testing, we noted the following in regard to the Office's review of the System and Organization Control (SOC) reports for its service providers:

- The Office did not document deviations noted and the related impact of those deviations for SOC reports with modified opinions.
- The Office did not document its identification of Complementary User Entity Controls (CUECs) included in the SOC reports and the Office's compliance with the applicable CUECs.
- The Office did not document its identification of subservice organizations noted in the SOC reports and related procedures performed to satisfy the Office the existence of subservice organization did not impact its internal control environment.

The Office is responsible for the design, implementation and maintenance of internal controls related to information systems and transaction processing to assure its critical and confidential data are adequately safeguarded. This responsibility is not limited due to the processes being outsourced.

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

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SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022

2022-001. **FINDING:** Lack of Adequate Controls Over the Review of Internal Controls of Service Providers (Continued)

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 information technology 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.

Office management indicated they were not aware of the level of detail they needed to document in their review of SOC reports.

Without proper review of SOC reports or another form of independent internal controls review, the Office does not have assurance the service providers' internal controls are adequate to ensure proper accounting and safekeeping of assets and data. (Finding Code No. 2022-001, 2020-001)

RECOMMENDATION

We recommend the Office improve documentation of its review over SOC reports to include:

- Analysis of the impact of deviations noted in the SOC reports.
- Documentation of CUECs relevant to operations.
- Analysis of subservice organizations noted in SOC reports and related procedures performed to satisfy itself the usage of the subservice organizations would not impact the internal control environment.

OFFICE RESPONSE

The Office agrees to improve the documentation of its review of SOC reports. In the absence of any criteria for the documentation of SOC reviews, documentation will now additionally include:

- Analysis of the impact of deviations noted in the SOC reports.
- Documentation of CUECs relevant to operations.
- Analysis of subservice organizations noted in the SOC reports and related procedures performed to satisfy itself the usage of the subservice organizations would not impact the internal control environment.