STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
STATE COMPLIANCE EXAMINATION

For the Year Ended June 30, 2021
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STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2021

BOARD OFFICIALS

Executive Director
Deputy Executive Director
Chief of Staff
Deputy Director for Academic Affairs and Student Success (08/16/21 – Present)
Associate Deputy Director for Research and Analytics (07/01/21 – Present)
Deputy Director for Academic Affairs and Institutional Effectiveness (07/01/20 – 06/30/21)
Deputy Director for Workforce Education (01/16/21 – Present)
Deputy Director for Adult Education and Workforce (07/01/20 – 01/15/21)
Deputy Director for Finance and Administration
Director for Finance & Operations (10/15/21 - Present)
Director/Senior Director for Finance & Operations (10/01/21 – 10/14/21)
Senior Director for Finance & Operations (02/16/21 – 09/30/21)
Director for Finance & Operations (07/01/20 – 02/15/21)
Deputy Director for Strategic Initiatives (07/01/21 - Present)
Deputy Director for Research and Information Technology (07/01/21 – Present)
Deputy Director for Technology (07/01/20 – 06/30/21)

Dr. Brian Durham
Ms. Jennifer Foster
Mr. Matt Berry
Mr. Marcus Brown
Mr. Jay Brooks
Mr. Nathan Wilson
Ms. Whitney Thompson
Vacant
Ms. Jennifer Franklin
Ms. Jahdzia Diaz
Vacant
Ms. Zula Lee
Ms. Zula Lee
Mr. Jeff Newell
Mr. Nathan Wilson
Mr. Jeff Newell

BOARD OFFICERS

Appointed by the Governor

Chair of the Board
Vice Chair of the Board (04/01/2022 – Present)
Vice Chair of the Board (07/01/20 – 03/31/22)

Dr. Lazaro Lopez
Vacant
Ms. Suzanne Morris
STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2021

BOARD MEMBERS

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<tr>
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<th>Dr. Larry Peterson</th>
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<tr>
<td>Member</td>
<td>Mr. Terry Bruce</td>
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<tr>
<td>Member</td>
<td>Dr. Teresa Garate</td>
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<tr>
<td>Member</td>
<td>Dr. Nicholas Kachiroubas</td>
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<tr>
<td>Member</td>
<td>Ms. Paige Ponder</td>
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<tr>
<td>Member (09/08/21 – Present)</td>
<td>Mr. Craig Bradley</td>
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<tr>
<td>Member (07/01/20 – 07/12/21)</td>
<td>Mr. J. Douglas Mraz</td>
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<tr>
<td>Member (08/30/21 – Present)</td>
<td>Ms. An-Me Chung</td>
</tr>
<tr>
<td>Member (07/01/20 – 04/27/22)</td>
<td>Dr. Lynette Stokes</td>
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<tr>
<td>Member (07/01/20 – Present)</td>
<td>Vacant</td>
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<tr>
<td>Member (07/01/20 – Present)</td>
<td>Vacant</td>
</tr>
<tr>
<td>Student Member (07/01/21 – Present)</td>
<td>Mr. Jaleel Harris</td>
</tr>
<tr>
<td>Student Member (07/01/20 – 06/30/21)</td>
<td>Mr. Enrique Velasquez</td>
</tr>
</tbody>
</table>

BOARD OFFICE

The Board’s offices are located at:

SPRINGFIELD OFFICE
401 East Capitol Avenue
Springfield, Illinois 62701

CHICAGO OFFICE
555 W Monroe Street
Floor 6, Suite 600-S
Chicago, Illinois 60661-3705
May 31, 2022

Honorable Frank J. Mautino
Auditor General
State of Illinois
740 East Ash Street
Springfield, Illinois 62703-3154

Auditor General Mautino:

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 Community College Board (Board). 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 Board’s compliance with the following specified requirements during the one-year period ended June 30, 2021. Based on this evaluation, we assert that during the year ended June 30, 2021, the Board has materially complied with the specified requirements listed below.

A. The Board 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 Board 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 Board 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 Board 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 Board on behalf of the State or held in trust by the Board 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 Community College Board

_________________________
Brian Durham
Executive Director

_________________________
Matt Berry
Chief of Staff

_________________________
Jennifer Franklin
Deputy Director for Finance and Administration
STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2021

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 contain a scope limitation.

SUMMARY OF FINDINGS

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SCHEDULE OF FINDINGS

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**EXIT CONFERENCE**

The Illinois Community College Board waived an exit conference in a correspondence from Jennifer Franklin, Deputy Director for Finance and Administration, on May 23, 2022. The response to the recommendation was provided by Jennifer Franklin, Deputy Director for Finance and Administration, in a correspondence dated May 31, 2022.
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 Community College Board

Report on State Compliance

We have examined compliance by the State of Illinois, Illinois Community College Board (Board) 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 year ended June 30, 2021. Management of the Board is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Board’s compliance with the specified requirements based on conducting the examination 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.

The specified requirements are:

A. The Board 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 Board 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 Board 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 Board 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 Board on behalf of the State or held in trust by the Board have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

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

During our examination, the Board disclosed to us it had suffered a catastrophic server failure which resulted in the loss of its computerized records for the year ended June 30, 2021, as fully described in the accompanying Schedule of Findings as item 2021-001.

Because of the limitation on the scope of our examination discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on whether the Board complied with the specified requirements during the year ended June 30, 2021, in all material respects.

The Board’s response to the compliance finding identified in our examination is described in the accompanying Schedule of Findings. The Board’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.

______________________________
JANE CLARK, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
May 31, 2022
2021-001. **FINDING** (Failure to Maintain Electronic Records)

The Illinois Community College Board (Board) failed to maintain electronic records of its activity during Fiscal Year 2021.

On July 1, 2022, the Board’s Information Technology (IT) environment encountered a catastrophic hardware failure, resulting in the total loss of their IT environment, applications, and data. Further, the Board had determined the backups of their IT environment, applications, and data had not been completed successfully. Therefore, the Board’s IT environment, applications, and data did not exist in order for the accountants to conduct an examination to determine the Board’s compliance with the specified requirements as described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies*.

The State Records Act (5 ILCS 160/9) requires the Board to establish and maintain effective controls over the creation, maintenance, and use of records in the conduct of current business and to ensure that Board electronic records are retained in a trustworthy manner so that the records, and the information contained in the records, are accessible and usable for reference for the duration of the retention period.

In addition, 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), Contingency Planning section, requires entities to conduct backups of their environment, applications, and data. Furthermore, entities are to test the backups to ensure they were successful.

Board management stated the hardware failure was the result of a power outage and they were unaware of the unsuccessful completion of backups.

Due to the significance of the matter, the auditors were unable to obtain sufficient appropriate audit evidence to provide a basis for an examination opinion and accordingly, the auditors did not express an opinion on the specified requirements as listed in the *Independent Accountant’s Report on State Compliance and on Internal Control over Compliance*. (Finding Code No. 2021-001)

**RECOMMENDATION**

We recommend the Board continue to work to restore their IT environment, applications, and data. In addition, we recommend the Board ensure its backups complete successfully.
2021-001. **FINDING**  (Failure to Maintain Electronic Records) (Continued)

**BOARD RESPONSE**

The Board concurs with the finding. The hardware failure occurred during a City of Springfield electrical power outage while powering off and on the aged IT infrastructure. Board IT staff have implemented the following processes to protect IT infrastructure and electronic records during future power outages, which includes the upcoming installation of new servers and backup equipment.

1. ICCB, through assistance from vendor expertise, has documented the best procedures and sequence for taking down and bringing back up the current systems to mitigate issues in the event of a power failure. Several unscheduled power outages have occurred since July 2021 with Board IT powering systems back on without issue based on these established procedures.

2. ICCB has instituted a redundant backup process where backups are occurring under two separate solutions. One backup is being performed via our current software solution using Veeam. The second backup is being performed using native Windows backup solution. IT has compared each of the backups being performed to ensure that they are the same size, same data, and contain data backed up on the same date.

3. ICCB has purchased new servers and will soon be transitioning to new application servers/backup servers to position ICCB appropriately with a modern IT infrastructure in the event of future power outages or hardware failures. Moving from the current to new systems will ensure resiliency and strengthen current backup processes further.

4. ICCB is in the process of acquiring new backup hardware and software that will be fully integrated with our new and updated server environment.

Additionally, the Board is procuring disaster data recovery services with a vendor to assess, perform testing, and recover records stored on the failed hardware, which houses needed electronic records lost from the power outage.
A. **FINDING** (Inadequate Controls over Initiating and Monitoring Grants)

During the prior examination, the Illinois Community College Board (Board) did not exercise adequate controls over initiating and monitoring grant agreements.

During the current examination, the Board encountered a catastrophic hardware failure, resulting in the total loss of its IT environment, applications, and data, as fully described in Finding 2021-001 of the *State Compliance Examination Report*. Therefore, we were unable to conduct testing. We will examine the Board’s controls over initiating and monitoring grant agreements during our next State compliance examination. (Finding Code No. 2020-001, 2018-002, 2016-007, 2014-003, 12-4)

B. **FINDING** (Failure to Enforce Reporting Requirements)

During the prior examination, the Illinois Community College Board (Board) failed to enforce compliance with its rules and regulations over the timely submission of required informational reports and schedules.

During the current examination, the Board encountered a catastrophic hardware failure, resulting in the total loss of its IT environment, applications, and data, as fully described in Finding 2021-001 of the *State Compliance Examination Report*. Therefore, we were unable to conduct testing. We will examine the Board’s compliance with its rules and regulations over the timely submission of required informational reports and schedules during our next State compliance examination. (Finding Code No. 2020-002, 2018-004, 2016-006, 2014-002, 12-3, 10-5, 08-7, 06-1, 04-1, 02-3, 00-1, 99-1, 98-1, 96-2)

C. **FINDING** (Inadequate Controls over Contractual and Interagency Agreements)

During the prior examination, the Illinois Community College Board (Board) had inadequate controls over its contractual and interagency agreements.

During the current examination, the Board encountered a catastrophic hardware failure, resulting in the total loss of its IT environment, applications, and data, as fully described in Finding 2021-001 of the *State Compliance Examination Report*. Therefore, we were unable to conduct testing. We will examine the Board’s controls over contractual and interagency agreements during our next State compliance examination. (Finding Code No. 2020-003)

D. **FINDING** (Inadequate Controls over Reporting Requirements)

During the prior examination, the Illinois Community College Board (Board) did not comply with statutory reporting responsibilities.
D. **FINDING** (Inadequate Controls over Reporting Requirements) (Continued)

During the current examination, the Board encountered a catastrophic hardware failure, resulting in the total loss of its IT environment, applications, and data, as fully described in Finding 2021-001 of the *State Compliance Examination Report*. Therefore, we were unable to conduct testing. We will examine the Board’s compliance with statutory reporting responsibilities during our next State compliance examination. (Finding Code No. 2020-004)

E. **FINDING** (Board Member Vacancies)

During the prior examination, the Illinois Community College Board (Board) did not have the required number of Board members as mandated by the Public Community College Act.

During the current examination, the Board encountered a catastrophic hardware failure, resulting in the total loss of its IT environment, applications, and data, as fully described in Finding 2021-001 of the *State Compliance Examination Report*. Therefore, we were unable to conduct testing. We will examine the Board’s compliance with the required number of Board members as mandated by the Public Community College Act during our next State compliance examination. (Finding Code No. 2020-005)

F. **FINDING** (Inadequate Controls over Personal Services)

During the prior examination, the Illinois Community College Board (Board) did not maintain adequate controls over its personal services function.

During the current examination, the Board encountered a catastrophic hardware failure, resulting in the total loss of its IT environment, applications, and data, as fully described in Finding 2021-001 of the *State Compliance Examination Report*. Therefore, we were unable to conduct testing. We will examine the Board’s controls over its personal services function during our next State compliance examination. (Finding Code No. 2020-006, 2018-007, 2016-009, 2014-005, 12-9, 10-4, 08-5, 06-2)

G. **FINDING** (Inadequate Review of User Access Rights)

During the prior examination, the Illinois Community College Board (Board) lacked procedures to periodically review the appropriateness of user access rights to its systems.

During the current examination, the Board encountered a catastrophic hardware failure, resulting in the total loss of its IT environment, applications, and data, as fully described in Finding 2021-001 of the *State Compliance Examination Report*. Therefore, we were unable to conduct testing. We will examine the Board’s procedures to periodically review the appropriateness of user access rights to its systems during our next State compliance examination. (Finding Code No. 2020-007)