

**STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF TRANSPORTATION
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

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



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**STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF TRANSPORTATION
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

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**STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF TRANSPORTATION
STATE COMPLIANCE EXAMINATION
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DEPARTMENT OFFICIALS

Secretary	Omer Osman (06/01/21 – present) Omer Osman (Acting) (07/01/20 – 05/31/21)
Assistant Secretary	Vacant
Chief of Staff	Vacant (06/01/23 – present) Georgina (Syas) White (07/01/20 – 05/31/23)
Deputy Chief of Staff	Vacant (05/16/22 – present) Becky Locker (07/01/20 – 05/15/22)
Chief Operating Officer	John Donovan (09/01/23 – present) Vacant (04/23/22 – 08/31/23) Sheleda Doss (07/01/20 – 04/22/22)
Deputy Secretary of Communications and Legislative Affairs formerly Deputy Secretary of Program Development and External Affairs	Jeremy LaMarche (04/24/23 – present) Vacant (03/01/23 – present) Becky Locker (05/16/22 – 02/28/23) Vacant (01/01/22 – 05/15/22) Douglas House (07/01/20 – 12/31/21)
Deputy Secretary of Administration, Diversity and Legal Affairs	Terrence Glavin (05/16/23 – present) Vacant (01/01/23 – 05/15/23) Margaret vanDijk (03/16/21 – 12/31/22) Vacant (07/01/20 – 03/15/21)
Deputy Secretary of Project Implementation	Vacant
Chief Fiscal Officer	Vicki Wilson (04/01/22 – present) Joanne Woodworth (Acting) (07/01/20 – 03/31/22)
Director, Office of Planning and Programming	Holly (Ostdick) Bieneman (09/16/20 – present) Vacant (07/01/20 – 09/15/20)
Deputy Director, Office of Planning and Programming	Elizabeth Irvin (07/01/22 – present) Vacant (07/01/20 – 06/30/22)
Director, Office of Highways Project Implementation	Stephen Travia (07/01/21 – present) Vacant (07/01/20 – 06/30/21)
Deputy Director, Office of Highways Project Implementation	Justan Mann (11/16/21 – present) Vacant (07/01/20 – 11/15/21)
Director, Office of Intermodal Project Implementation	Jason Osborn (01/18/22 – present) Matt Magalis (Acting) (07/01/20 – 01/17/22)

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Deputy Director, Rail, Office of Intermodal Project Implementation	Vacant (01/01/24 – present) John Oimoen (07/01/20 – 12/31/23)
Deputy Director, Transit, Office of Intermodal Project Implementation	Ashounta Reese (06/01/21 – present) John Oimoen (Acting) (07/01/20 – 05/31/21)
Deputy Director, Aeronautics, Office Of Intermodal Project Implementation	Clayton Stambaugh
Director, Office of Communications	Guy Tridgell
Director, Office of Legislative Affairs	Aaron Gold-Stein (08/16/23 – present) Vacant (07/01/23 – 08/15/23) Matthew McAnarney (01/01/22 – 06/30/23) Matthew McAnarney (Acting) (12/01/21 – 12/31/21) Nicola Cortez-Hun (07/01/20 – 11/30/21)
Director, Office of Finance and Administration	Vicki Wilson (02/16/22 – present) Vacant (07/01/20 – 02/15/22)
Deputy Director, Office of Finance And Administration	Matt Magalis
Director, Office of Business and Workforce Diversity	Brandy Phillips (09/18/23 – present) Vacant (10/01/22 – 09/17/23) Jonathan McGee (05/02/22 – 09/30/22) Vacant (01/01/22 – 05/01/22) Pamela Simon (07/01/20 – 12/31/21)
Director, Office of Chief Counsel/ Chief Legal Counsel	Michael Prater (Acting) (06/28/23 – present) Vacant (06/16/23 – 06/27/23) Yongsu Kim (06/01/21 – 06/15/23) Margaret vanDijk (Acting) (05/01/21 – 05/31/21) Phil Kaufmann (07/01/20 – 04/30/21)
Director/Chief Internal Auditor, Office of Internal Audit	Stephen Kirk

Department's main offices are located at:

2300 S. Dirksen Parkway
Springfield, IL 62764

69 W. Washington Street
Chicago, IL 60602



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois 62764

May 1, 2024

CliftonLarsonAllen LLP
301 S.W. Adams Street, Suite 1000
Peoria, IL 61602

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 Department of Transportation (Department). 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 Department'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, 2021, and June 30, 2022, the Department has materially complied with the specified requirements listed below.

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

Yours truly,

Illinois Department of Transportation

SIGNED ORIGINAL ON FILE

Omer Osman
Secretary of Transportation

SIGNED ORIGINAL ON FILE

Vicki Wilson
Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

 89F32C4E4ED7410...
Michael Prater
Acting Chief Legal Counsel

**STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF TRANSPORTATION
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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*.

ACCOUNTANTS' REPORT

The Independent Accountants' 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

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	6	12
Repeated Findings	5	7
Prior Recommendations Implemented or Not Repeated	7	3

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	2020/2014	Failure to Maintain Timely and Accurate Information on Bridge Inspections	Significant Deficiency and Noncompliance
2022-002	13	2020/2007	Inadequate Controls over the Administration of State Vehicles	Significant Deficiency and Noncompliance
2022-003	16	2020/2016	Failure to Control Outdoor Advertising	Significant Deficiency and Noncompliance
2022-004	18	2020/2018	Noncompliance with Reporting Requirements	Significant Deficiency and Noncompliance
2022-005	20	2020/2020	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance

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SCHEDULE OF FINDINGS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
CURRENT FINDINGS				
2022-006	22	New	System Access Weaknesses	Significant Deficiency and Noncompliance
PRIOR FINDING NOT REPEATED				
A	24	2020/2020	Lack of Census Data Reconciliations	
B	24	2020/2007	Inadequate Controls over Employee Overtime	
C	24	2020/2020	Inadequate Controls over Employee Statements of Economic Interest	
D	24	2020/2020	Inadequate Controls over Personal Services	
E	24	2020/2008	Inadequate Controls over Accounts Receivable	
F	25	2020/2020	Adoption of H+T Affordability Index at Metropolitan Planning Organizations	
G	25	2020/2018	Weaknesses Regarding Change Management Process	

EXIT CONFERENCE

The Department waived an exit conference in a correspondence from Stephen Kirk, Chief Internal Auditor, on April 15, 2024. The responses to the recommendations were provided by Stephen Kirk, Chief Internal Auditor, in a correspondence dated April 24, 2024.



INDEPENDENT ACCOUNTANTS' 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, Illinois Department of Transportation (Department) 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 Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department's compliance with the specified requirements based on our examination.

The specified requirements are:

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

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 Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department 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 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 Department's compliance with the specified requirements.

In our opinion, the Department complied with the specified requirements during the two years ended June 30, 2022, 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 2022-001 through 2022-006.

The Department's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Department'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 Department 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 Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements and to test and report on the Department's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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.

Honorable Frank J. Mautino
Auditor General
State of Illinois

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 2022-001 through 2022-006 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 Department's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Department'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

CliftonLarsonAllen LLP

Peoria, Illinois
May 1, 2024

**STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF TRANSPORTATION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

Finding 2022-001 Failure to Maintain Timely and Accurate Information on Bridge Inspections

The Illinois Department of Transportation (Department) did not maintain documentation to substantiate the timely inspections of bridges in its database.

The National Bridge Inspection Standards (NBIS), contained in the Federal Regulations (23 CFR 650 Subpart C), establish requirements for bridge inspections. NBIS requires that all bridges more than 20 feet in length located on public roads be inspected in accordance with the federal standards.

The Department is responsible for ensuring that all highway bridges on public roads in the state are inspected. We obtained an inventory as of July 1, 2022, of Illinois bridges fitting the criteria of the NBIS as requiring an inspection, which showed the respective inspection dates for each bridge. The bridge inventory data included a total of 23,649 bridges, 23,424 of which are open to the public. Of these open bridges, 8,197 are State of Illinois (State) bridges and are the responsibility of the Department to maintain. The remaining 15,227 are the responsibility of local public agencies or other entities, such as adjacent states, for which the State is only required to monitor to ensure inspections are occurring.

Federal Regulations (23 CFR 650.311(e)) outlines the bridge inspection interval tolerance per NBIS. The acceptable tolerance for intervals of less than 24 months for the next inspection is up to two months after the month in which the inspection was due. The acceptable tolerance for intervals of 24 months or greater for the next inspection is up to three months after the month in which the inspection was due. Exceptions to the inspection interval tolerance due to rare and unusual circumstances must be approved by the Federal Highway Administration (FHWA) in advance of the inspection due date plus the two or three-month tolerances listed above.

Inspection Timeliness

The Department conducts or monitors other entities to ensure various types of bridge inspections are performed depending on the type, location, and other factors. We examined the timeliness of routine, special, underwater, and fracture critical member inspections noting 56 bridges had untimely inspections with several requiring more than one type of inspection.

Routine Inspections

Federal Regulations (23 CFR 650.305) define a routine inspection as a regularly scheduled inspection consisting of observation and/or measurements needed to determine the physical and functional condition of the bridge, to identify any changes from initial or previously recorded conditions, and to ensure that the structure continues to satisfy present service requirements.

Using the intervals established by the Department and allowing for the acceptable tolerance per NBIS regulations or whether there was a legitimate reason for the delinquency which was accepted by the FHWA, according to the Department's Illinois Structure Information System data, as of July 1, 2022, 11 (0.05%) bridges were untimely for a routine inspection (down from 152 as of July 1, 2020) and were 26 to 448 days late.

Department officials stated the delinquencies noted were due to the bridges being newly constructed and a misunderstanding of the established initial inspection interval of 90 days. Department officials further stated inspections were delinquent due to staffing shortages and all types of inspections being performed at the same time.

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Special Inspections

Federal Regulations (23 CFR 650.305) define a special inspection as an inspection scheduled at the discretion of the bridge owner used to monitor a particular known or suspected deficiency. Special inspections may be prompted by structural damage or deterioration, conditions affecting the stability of the structure, or for other reasons. Some examples of conditions that might warrant a special inspection are damage/deterioration to main load-carrying members, settlement/ movement of substructure units or adjacent embankment, and structural details with histories of poor performance. The Department's Structural Services manual lists 20 different special inspection code types. Some bridges have more than one type of special inspection conducted.

Of the total 23,424 open bridges that the Department is required to inspect or cause to be inspected (i.e., locals), 1,615 bridges were slated for a special inspection totaling 2,594 special inspections during the period of July 1, 2020, to June 30, 2022. Using the intervals established by the Department and allowing for the acceptable tolerance per NBIS regulations or whether there was a legitimate reason for the delinquency which was accepted by the FHWA, according to the Department's Illinois Structure Information System data, as of July 1, 2022, 44 (2%) bridges were untimely for a special inspection (up from 14 bridges as of July 1, 2020) and were 94 to 727 days late.

Department officials stated the delinquencies noted were due to oversight, clerical error, change in intervals, and miscommunication.

Underwater Inspections

Federal Regulations (23 CFR 650.305) define an underwater inspection as an inspection of the underwater portion of a bridge substructure and the surrounding channel that cannot be inspected visually at low water by wading or probing, generally requiring diving or other appropriate techniques. The Department's Structural Services Manual states that generally bridges in water deeper than four feet require underwater inspections.

Of the total 23,424 open bridges that the Department is required to inspect or cause to be inspected, 342 were slated for an underwater inspection during the period of July 1, 2020, to June 30, 2022. Using the intervals established by the Department and allowing for the acceptable tolerance per NBIS regulations or whether there was a legitimate reason for the delinquency which was accepted by the FHWA, according to the Department's Illinois Structure Information System data, as of July 1, 2022, 1 bridge (0.3%) was untimely for an underwater inspection (down from 4 as of July 1, 2020) and was 166 days late.

Department officials stated the delinquency noted was due to a delay in the execution of a consultant contract.

Fracture Critical Inspections

Federal Regulations (23 CFR 650.305) define a fracture critical member inspection as a hands-on inspection of a fracture critical member or multiple member components that may include visual and other nondestructive evaluation. These inspections are performed on steel bridge tension members and tension components of members whose failure could be expected to result in the collapse of the bridge or a portion of the bridge.

STATE OF ILLINOIS
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Of the total 23,424 open bridges that the Department is required to inspect or cause to be inspected, 567 were slated for a fracture critical member inspection during the period of July 1, 2020, to June 30, 2022.

Using the intervals established by the Department and allowing for the acceptable tolerance per NBIS regulations or whether there was a legitimate reason for the delinquency which was accepted by the FHWA, according to the Department's Illinois Structure Information System data, as of July 1, 2022, 8 bridges (1%) were untimely for a fracture critical inspection (down from 9 as of July 1, 2020) and were 115 to 704 days late.

Department officials stated the delinquencies noted were due to oversight, staffing shortages, and a delay in the execution of a consultant contract.

This finding was first reported during the period ended June 30, 2014. In the subsequent years, the Department has been unsuccessful in fully implementing appropriate corrective action or procedures.

The Department's failure to comply with federal regulations regarding bridge inspections and maintain an appropriate database of bridge inspections could result in a public safety risk. (Finding Code No. 2022-001, 2020-002, 2018-002, 2016-002, 2014-008)

Recommendation:

We recommend the Department ensure bridge inspections are conducted and documentation is maintained to substantiate the inspections are completed within allowable intervals established by Federal Regulations and Department policy.

Department Response:

We agree with the finding. The Department plans to take the following actions to continue to reduce the untimeliness of bridge inspections:

- Continue on-boarding non-Department entities to the Illinois Highway Information System, which includes the Illinois Structure Information System, used for entering inspection data, and the Bridge Inspection System, used for tracking of bridges within each jurisdiction.
- Distribute a subscription service announcement detailing the findings of the most recent NBIP Metric Review for Inspection Frequency.
- Distribute a subscription service announcement including reminders of the NBIS requirements and/or the Department's Bridge Inspection Policy.
- Retain the services of a consultant on a various-various contract to:
 - Assist with tracking potential delinquencies and notifying the responsible entity.
 - Assist with tracking entities to ensure qualified personnel oversee their bridge program.
- Continue to communicate the extreme importance of adhering to inspection due dates at the applicable statewide meetings (Department, County Engineers, etc.).
- Reestablish and reimplement the previously developed concept of utilizing an on-call consultant to perform bridge inspections approaching 120-days delinquent.
- Formalized and specific delinquency reports will be developed monthly and be sent to FHWA and the appropriate Department offices/bureaus (Regional Engineer, District/Central Local Roads, etc.) for knowledge of potential pending compliance issues.
- Department management discussions with entities deemed problematic.

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF TRANSPORTATION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022

Finding 2022-002 Inadequate Controls over the Administration of State Vehicles

The Illinois Department of Transportation (Department) did not have adequate controls ensuring the proper completion of motor vehicle trip tickets, the maintenance of State vehicles, the reporting of vehicle accidents to the Department of Central Management Services (CMS), calculating the fringe benefits to employees for personal use of assigned State vehicles, and ensuring all employees assigned a State-owned vehicle were duly licensed and insured.

During testing of vehicles and motor vehicle trip tickets, we noted the following exceptions:

- 2 of 60 (3%) vehicles tested had trip tickets that did not contain a supervisory approval.
- 1 of 60 (2%) vehicles tested were missing vehicle trip tickets.

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 funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Department officials stated the missing supervisor approvals were due to either system or user error. Department officials further stated the missing trip ticket was lost on the trip and was not reproduced.

We also noted 6 of 40 (15%) vehicles tested did not have routine oil changes performed on a timely basis. These vehicles were driven from 367 to 2,813 miles after an oil change was required.

The criteria for an oil change were based on schedules provided by CMS as well as the Department's internal vehicle policies. The Illinois Administrative Code (44 Ill. Adm. Code 5040.410) requires agencies to have vehicles inspected by CMS or an authorized vendor at least once per year or as required by law and to maintain vehicles in accordance with schedules provided by CMS or with other schedules acceptable to CMS that provide for proper care and maintenance of special use vehicles. Failure to adequately maintain vehicles can cost the State significant amounts in future years through additional repair bills and shortened useful lives for vehicles.

Department officials stated it is the responsibility of each Bureau/District Vehicle Coordinator and driver of an individually assigned vehicle to ensure that such services are performed timely; however, in the instances noted, employee work demands and the unavailability of the CMS garage (due to CMS staff and garage scheduling conflicts) led to the instances of overdue vehicle maintenance.

**STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF TRANSPORTATION
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During testing of 40 reported accidents involving State-owned vehicles, we noted the following exceptions:

Exception Noted on Tested Accident	Quantity	Days Late
Accident not reported to CMS on Form SR-1 on a timely basis	11	1 to 187
Form SR-1 not completed in a timely manner	7	1 to 191
Form SR-1 was not appropriately dated; thus, we could not verify form was completed within 3 days as required	2	N/A
Description of the accident was not properly completed on Form SR-1	2	N/A

The Illinois Administrative Code (44 Ill. Adm. Code 5040.520) requires the Motorist's Report of Illinois Motor Vehicle Accident Form (SR-1) to be completed as soon as possible, in its entirety, including a description of the accident, and submitted to the office of the current insurance carrier. In no case is this report to be completed later than three days following an accident. In all cases, the completed SR-1 must be received by the Auto Liability Unit within seven days to ensure coverage under the State's auto liability plan.

Department officials stated incidents of late/defective reporting were due to multiple factors, including the unavailability of the specific employees and supervisors, and emergency snow and ice conditions.

During our testing, we noted for 7 of 60 (12%) employees assigned a State vehicle, the Department had incorrectly calculated employee fringe benefits. The Department overcharged two employees a total of \$9 and undercharged five employees a total of \$63. The Internal Revenue Service (IRS) Employer's Tax Guide to Fringe Benefits (Publication 15-B) requires employers to determine the value of a vehicle provided to an employee for commuting use by multiplying each one-way commute by \$1.50. This amount must be included in the employee's wages or reimbursed by the employee.

Department officials stated the incorrect fringe benefits were due to errors between the driver and supervisor when reviewing the mileage log and timecards.

During our testing, we noted 4 of 60 (7%) employees assigned a State vehicle failed to submit the annual liability and licensure certification. Additionally, we noted 1 of 40 (3%) employees submitted the certification 62 days late.

The Illinois Vehicle Code (625 ILCS 5/7-601(c)) requires employees assigned a specific State-owned vehicle on an ongoing basis to provide annual certification to the Chief Executive Officer affirming the employee is duly licensed to drive the assigned vehicle and that the employee has liability insurance coverage extending to the employee when the assigned vehicle is used for other than official State business. The certification shall be provided during the period July 1 through July 31 of each calendar year or within 30 days of any new assignment of a vehicle, whichever is later.

Department officials stated the annual liability and licensure certification errors occurred due to oversight by drivers, various vehicle coordinators and Bureau of Personnel Management staff.

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This finding was first reported during the period ended June 30, 2007. In subsequent years, the Department has been unsuccessful in fully implementing appropriate corrective action or procedures.

Failure to adequately maintain controls over the administration of State vehicles represents noncompliance with State and Department vehicle requirements and could increase the State's potential liability and risk of loss. (Finding Code No. 2022-002, 2020-006, 2018-004, 2016-005, 2014-013, 12-12, 10-11, 09-8, 08-8, 07-12)

Recommendation:

We recommend the Department continue to develop and implement procedures which create stronger controls over its vehicles. We recommend the procedures encompass the responsibilities incumbent upon employees at both the District and Central Office levels if they utilize Department vehicles and address compliance, recordkeeping, maintenance, and accountability. We further recommend the Department ensure employees and individuals utilizing State vehicles are properly trained on the related procedures, rules, and regulations.

Department Response:

The Department agrees with the finding. The Department plans to continue to expand and improve its fleet related procedures incorporating the Asset Management Program (AMP), soon to be Operations Asset Management (OAM) system. The system is going through an upgrade project that will include additional features to improve motor pool trip requests, assignments and record keeping processes, include Preventative Maintenance email notifications and centralized Individually Assigned Vehicle (IAV) tracking process. The tentative "go-live" date of the upgraded OAM system is September 9, 2024. OAM system training will take place as part of the upgrade project and after "go-live" statewide for all OAM users and vehicle coordinators. Related to the accident reporting exception, we have reminded all Claims Managers and staff of the reporting requirements. We have re-issued the "Vehicle Accident/Incident Reporting" posters and re-distributed them Department-wide.

**STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF TRANSPORTATION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

Finding 2022-003 Failure to Control Outdoor Advertising

The Illinois Department of Transportation (Department) did not comply with State laws or its own written procedures that control the outdoor advertising adjacent to the primary and interstate highways during the engagement period.

We noted the Department had developed a process to inventory outdoor advertising and identify potentially illegal signs. The Department's inventory of all active signs as of October 5, 2022, totaled 12,804 signs. Of the total active signs, 5,779 were determined to be potentially illegal.

We selected a sample 60 potentially illegal signs for further testing and noted the Department could not provide evidence they notified the sign owners of noncompliance, by certified mail, for 59 of 60 (98%) items tested. Of the 59 potentially illegal signs without evidence of notifications sent to sign owners, the Department noted:

- 29 signs were affected by the United States Supreme Court's decision in *Reed v. Town of Gilbert*, 576 U.S. 155 (2015); thus, the Department did not deem enforcement of compliance by the sign owners to be viable.
- 28 signs were potentially affected by ongoing court cases during the examination period; thus, the Department withheld determination of whether notification was necessary.
- 2 signs were regulated by municipalities; thus, the Department did not deem enforcement of compliance by the sign owners to be viable.

The Highway Advertising Control Act of 1971 (Act) (225 ILCS 440 et seq.) requires the Department to regulate outdoor advertising, signs, displays, and devices in areas adjacent to highways. The Act (225 ILCS 440/10) requires signs declared to be unlawful and a public nuisance to be removed or brought into compliance by the owner within 30 days after receipt of notice by certified mail by the Department. It further requires the Department to remove and dispose of illegal signs. The Illinois Administrative Code (Code) (92 Ill. Adm. Code 522) establishes rules concerning the control of outdoor advertising adjacent to primary and interstate highways. The Code (92 Ill. Adm. Code 522.140) requires the Department, when a sign has been found to be unlawful and not brought into compliance as required within 30 days, to sell, remove, or paint all unlawful signs, or seek a court order to force abatement by the sign owner. The sign owners are then required to reimburse the Department for all costs incurred.

Department officials stated, as noted in previous examinations, inefficient oversight, and implementation of the Outdoor Advertising Control Program more than two decades prior to program centralization as of 2011 led to a proliferation of illegal advertising signs throughout the State. Department officials further stated that due to the pending court cases, which had not had decisions rendered during the audit period, the Department paused its efforts to pursue a significant number of illegal signs.

This finding was first reported during the period ended June 30, 2016. In subsequent years, the Department has been unsuccessful in fully implementing appropriate corrective action or procedures.

Failure to ensure highway signs are legal and obtain the proper ownership documentation resulted in noncompliance with State statutes and regulations. (Finding Code No. 2022-003, 2020-008, 2018-006, 2016-008)

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Recommendation:

We recommend the Department notify the sign owners of the signs determined to be illegal based upon current statutory guidance as required or seek appropriate legislative remedy.

Department Response:

The Department agrees with the finding. The Department failed to ensure all signs along controlled highways are legal and obtain the proper ownership documentation as statutorily mandated. While the sample reviewed within this recent audit did not show compliance, the signs considered potentially illegal have been reduced from 7,682 to 5,838 since the initial FY 17 audit (24% reduction of illegal signs). The number of illegal signs in the database changes each reporting period because new illegal signs are discovered during yearly inspections. Types of illegal signs inventoried range from very large billboards, as large as over 5,000 Sq. Ft., to small service club or religious signs, typically 8 Sq. Ft. or less.

The Department continues to work in response to a joint Federal Highway Administration and Department Process Review on the Department's outdoor advertising control program from 2015, where the Department outlined an action plan that we believe addresses the subject of this audit finding as well. The Department developed and continues to work on a tiered approach, based in part on the action plan, and involves the following: 1) streamline Department policy and procedures, 2) update the Federal-State Agreement regarding control of outdoor advertising, 3) contact outdoor advertising stakeholders for comments, 4) continue to remove illegal signs, 5) and finally to recommend updates to State legislation and administration rules that govern the Department's regulation to control outdoor advertising.

In regards to the removal of illegal signs, the Department has, and continues to be, focused on the removal of the signs that will not be affected by proposed legislation and administrative rule changes due to the Reed & Austin cases. The Austin case was decided in April of 2022, and the Department is seeking guidance from our Office of Chief Counsel in order to lower the number of currently illegal signs which may become permitted after legislative and administrative rule changes. Per the audit recommendation, the owners of signs found to be illegal under current guidelines will be notified, starting with the signs that have been installed for the least amount of time. In the cases of signs that may be legal after regulation updates, the Department has decided to not to pursue removal at this time, and to focus attention on the regulation updates first.

The Department, through the Office of Highways Project Implementation, Bureau of Land Acquisition, is striving to improve the Outdoor Advertising Control Program by streamlining processes, updating regulations, and hiring additional staff to greatly reduce the number of illegal signs and obtain the proper ownership documentation as statutorily mandated. The Department's goal is to have the mechanisms, policies, and regulations in place by 2025, pending legislative, administrative and Federal Highway Administration concurrence, to efficiently regulate outdoor advertising and expeditiously remove illegal signs as required by Federal and State Law.

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Finding 2022-004 Noncompliance with Reporting Requirements

The Illinois Department of Transportation (Department) did not adhere with various reporting requirements established by State law.

During our testing, we noted the following:

- The Department of Transportation Law (20 ILCS 2705/2705-200(a)) requires the Department to publish and furnish to the General Assembly on the first Wednesday of April each year, an annual and a 5-year (or longer) project program for each State system (Multimodal Multi-Year Improvement Program). The Department failed to maintain documentation to support the report was submitted to the General Assembly for fiscal year 2021 and 2022.
- The Department of Transportation Law (20 ILCS 2705/2705-200(b)) requires the Department to publish and deliver to the Governor and General Assembly on the first Wednesday of April each year, a 5-year (or longer) Highway Improvement Program. The Department delivered its Highway Improvement Program Report to the General Assembly on May 19, 2021 (42 days late) and failed to maintain documentation to support the report was submitted to the Governor during fiscal year 2021. The Department failed to maintain documentation to support the report was submitted to the Governor and General Assembly during fiscal year 2022.
- The Department of Transportation Law (20 ILCS 2705/2705-200(c)) requires the Department to publish and deliver to the Governor and the General Assembly by November 1st each year, a “For the Record” report. The Department failed to maintain documentation to support the “For the Record – 2020” report was submitted to the Governor and General Assembly during fiscal year 2021. The Department delivered its “For the Record – 2021” report to the General Assembly on December 15, 2021 (44 days late) and failed to maintain documentation to support the report was submitted to the Governor during fiscal year 2021.
- The State Finance Act (30 ILCS 105/3) requires each officer of the executive department and all public institutions of the State to, at least ten days preceding each regular session of the General Assembly, 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 fiscal year 2020 report, due January 4, 2021, was 235 days late, and the fiscal year 2021 report, due December 27, 2021, was 114 days late.
- The Civil Administration Code (Code) (620 ILCS 75/2-75(c)) requires the Department to prepare an annual written progress report on the South Suburban Airport project at least 30 days prior to the beginning of the Department’s fiscal year. The report must include the status of any public-private agreements or other contracting and any ongoing or completed studies. The report must be delivered to the Procurement Policy Board and each county, municipality, and metropolitan planning organization whose territory includes or lies within 5 miles from the ultimate airport boundary. The Department failed to produce and distribute the annual report for fiscal year 2021. In fiscal year 2022, the Department produced the annual report, however, the report was not distributed timely as required by the Code (170 days late).

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- The Statewide Accounting Management System (SAMS) (Procedure 33.20.20) requires the Department to submit a Public Accountability Report (PAR) Program and Indicator Worksheet (Worksheet) listing all programs administered by the agency that have been modified since the most recently published PAR. The PAR Worksheet also lists any modifications or additions of specific performance measures (input indicators, output indicators, outcome indicators, efficiency indicators, and external benchmarks) to the Office of the State Comptroller by September 15 of each fiscal year. In fiscal year 2022, the Department failed to submit the PAR Worksheet.

Department officials stated the Department did not have a clear policy delineating responsibilities for the filing and documentation of required reports. Some of the required reports were in executive review to ensure completeness and accuracy, which delayed submission. Department officials also noted the Department experienced turnover and staffing shortages, which affected the timely compilation of the reports.

This finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in fully implementing appropriate corrective action or procedures.

Failure to timely submit mandated reports as required is noncompliance with statutory requirements and hinders governmental oversight over Department operations. (Finding Code No. 2022-004, 2020-009, 2018-008)

Recommendation:

We recommend the Department implement a control structure which includes procedures to ensure compliance with statutory reporting requirements.

Department Response:

The Department will establish a procedure by which an existing Office will be assigned the responsibility of coordinating the collection of reports required to be filed annually by law with the Governor, General Assembly, and other governmental units. That Office will also coordinate with other Offices within the Department tasked with producing periodic or annual reports and ensure that each report is delivered to the Office of Legislative Affairs (OLA) at least five business days prior to the required statutory submission date. OLA will be responsible for ensuring that each report is submitted to the required parties prior to or on the statutory submission date. OLA will also be responsible for ensuring that record of the report's submission is on file with the Department's Library.

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Finding 2022-005 Weaknesses in Cybersecurity Programs and Practices

The Department of Transportation (Department) had not implemented adequate internal controls related to cybersecurity programs and practices.

In order to meet its mission “to provide safe, cost-effective transportation for Illinois in a way that enhances safety and the quality of life of its citizens and visitors by reducing congestion and increasing mobility,” the Department relied on several critical applications which store and maintain confidential, financially sensitive and personally identifiable information such as name, addresses, and social security number.

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 Department’s cybersecurity program, practices, and control of confidential information, we noted the Department had not:

- Ensured all documents were adequately reviewed or updated to ensure they continue to meet the Department’s operational needs. We noted the Personnel Policies Manual had not been updated since 6/3/2014, and the Disaster Recovery Policy had not been updated since 12/5/2019.
- Provided evidence to validate completeness and accuracy of the list of contractors with access to the network and systems.
- Developed a risk management methodology that addressed categorization and authorization of information systems, selection, implementation, assessment, and monitoring of security controls.
- Conducted a comprehensive risk assessment that identified confidential, personal, and information susceptible to attacks or implemented risk reducing controls.

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.

Additionally, 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.

Department management indicated they understood the Department of Innovation and Technology (DoIT) was responsible for cybersecurity controls during the examination period.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities, which could ultimately lead to the Department’s confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2022-005, 2020-012)

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Recommendation:

We recommend the Department:

- Ensure significant policies and procedures are reviewed at least annually to ensure they continue to meet the Department's needs.
- Maintain evidence the contractors list is complete and accurate.
- Develop a risk management methodology, conduct a comprehensive risk assessment, and implement risk reducing controls.

Department Response:

The Department concurs with the finding and has addressed these issues to ensure compliance.

The Bureau of Information Processing (BIP) addresses Risk Assessment in its Information Processing Policy and Procedures Manual, Chapter 17 – Governance, Risk & Compliance, published 2/1/2023. An initial risk assessment methodology was created (documented in Chapter 17 Section E) and an assessment was conducted, and the finding presented to the Chief Information Officer for approval on 12/21/2022.

BIP is responsible for completing Business Impact Analysis (BIA) activities in collaboration with DoIT on a Bi-annual basis. BIAs are used as a tool to complete the Information System Contingency Plans and risk assessment. This was completed 8/31/2023.

BIP is currently working with DoIT to perform their risk assessment of the Agency. This assessment is scheduled to be complete by the end of FY2024.

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Finding 2022-006 System Access Weaknesses

The Illinois Department of Transportation (Department) did not have adequate controls over access to their applications and data.

During our review of the users' access to applications and data, we noted the Department did not:

- Have a policy or procedures that required departments to perform an annual review of user accounts for each application and document the results.
- Perform Integrated Payroll Management (IPM) application user access review during the period.
- Provide evidence to validate the completeness and accuracy of the list of IPM users.

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, Access Control section, requires entities to ensure access to their applications is appropriate.

Department management indicated the individual responsible for performing IPM users' access review did not validate that access to the IPM application was appropriate.

Failure to implement effective controls over access to applications and data could result in unauthorized access and manipulation of data. (Finding Code No. 2022-006)

Recommendation:

We recommend the Department strengthen controls over access to their applications and data. Specifically, we recommend the Department:

- Establish a policy that requires Departments to perform an annual review of all application user accounts and document the results of the review.
- Review user accounts annually to ensure access privileges align with employee responsibilities annually and ensure user access lists are complete and accurate.

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Department Response:

The Department concurs with the finding and has addressed these issues to ensure compliance.

The Bureau of Information Processing (BIP) addresses System Access in its Information Processing Policy and Procedures Manual, Chapter 1 – Access Control, published 2/1/2023.

System access is a responsibility for DoIT, BIP and Business Owners. In Section C, it states Application Business Owners will perform monthly permission reviews on applications owned and maintained by the business area. Business areas are responsible for those actions and risk should be mitigated if they comply with this requirement.

In addition, access reviews for mainframe applications are conducted every 6 months. These are initiated by sending the business owner a list of current users. The business owner reviews this list and updates it by identifying those who should stay or those who should be deleted. If a user's permissions change, that also is identified. The business owner returns the list to BIP where after we have updated it, will get a final review from the business owner. These reviews are usually done in July and January of each calendar year.

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SCHEDULE OF FINDINGS – PRIOR FINDING NOT REPEATED
For the Two Years Ended June 30, 2022

A. Finding Lack of Census Data Reconciliations

During the previous examination, the Illinois Department of Transportation (Department) did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate.

This condition was noted to be remediated during the financial audit for the fiscal year ended June 30, 2022. (Finding Code No. 2021-001, 2020-001)

B. Finding Inadequate Controls over Employee Overtime

During the previous examination, the Department did not maintain controls to ensure employees' overtime hours were appropriately documented.

During the current examination, our sample testing indicated the Department properly documented employees' overtime hours. (Finding Code No. 2020-003, 2018-003, 2016-003, 2014-009, 12-9, 10-7, 09-5, 08-24, 07-18)

C. Finding Inadequate Controls over Employee Statements of Economic Interest

During the previous examination, the Department did not maintain controls to ensure the review of its employees' economic interest statements and did not timely certify the fiscal year 2020 annual listing of employees required to file economic interest statements with the Secretary of State.

During the current examination, our sample testing indicated the Department properly reviewed economic interest statements and timely certified the listing with the Secretary of State. (Finding Code No. 2020-004)

D. Finding Inadequate Controls over Personal Services

During the previous examination, the Department did not maintain adequate controls over its personal services functions.

During the current examination, our sample testing indicated the Department controls over personal services had improved; however, we continued to note immaterial weaknesses. As such, this matter was reported in the Department's *Report of Immaterial Findings*. (Finding Code No. 2020-005)

E. Finding Inadequate Controls over Accounts Receivable

During the previous examination, the Department did not have adequate controls over the recording and reporting of accounts receivable and its collections activity for past-due accounts.

During the current examination, our sample testing indicated the Department recorded and reported accounts receivable accurately and timely conducted collections of past-due accounts. (Finding Code No. 2020-007, 2018-005, 2016-006, 2014-016, 12-16, 10-19, 09-16, 08-16)

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F. Finding Adoption of H+T Affordability Index at Metropolitan Planning Organizations

During the previous examination, the Department failed to provide evidence of adoption of the Housing + Transportation (H+T) Affordability Index tool for use in planning by the Metropolitan Planning Organizations (MPO).

During the current examination, we noted the Department appropriately communicated with the MPOs of the requirements for adoption of the H+T Affordability Index tool or substantially equivalent affordability measure and incorporated the relevant text of the H+T Affordability Act into the MPO annual operating agreements. (Finding Code No. 2020-010)

G. Finding Weaknesses Regarding Change Management Process

During the previous examination, the Department did not implement a formal change management process to control changes to its applications.

During the current examination, we noted the Department updated its procedures to ensure that changes to system software and application software are sufficiently controlled. (Finding Code No. 2020-011, 2018-010)

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STATUS OF MANAGEMENT AUDIT RECOMMENDATION

As part of the fiscal year 2021 and 2022 compliance examination of the Illinois Department of Transportation (Department), we followed up on the status of the following management audits initially performed by the Office of the Auditor General:

- Management audit of the Department’s Life-Cycle Cost Analysis for road construction contracts pursuant to Legislative Audit Resolution Number 140 (Released May 2012).

This is the fifth time a follow-up has been conducted for the management audit of the Department’s Life-Cycle Cost Analysis for road construction contracts. The follow-up we conducted was only for the recommendation that has not been fully implemented by the Department in prior years. The exhibit below summarizes the recommendation from this audit that was not fully implemented by the Department in prior years and the status of the recommendation.

Life-Cycle Cost Analysis for Road Construction Contracts

The Illinois Office of the Auditor General (OAG) conducted a management audit of the Illinois Department of Transportation’s (Department) Life-Cycle Cost Analysis (LCCA) for road construction contracts pursuant to Legislative Audit Commission Resolution Number 140. The audit was released in May 2012 and contained six recommendations to the Department. Follow-up conducted in prior years for these recommendations concluded that 1 of the 6 original recommendations had not been fully implemented (recommendation #1).

Summary of Recommendation Status
As of June 30, 2022

Recommendations	Implemented?		
	Yes	Partially	No
Compliance with statutory requirements		X	

This recommendation is listed below.

Recommendation 1 – Compliance with Statutory Requirements

The Department of Transportation should conduct life-cycle cost analysis on all projects that meet the requirements of Public Act 96-715. Should IDOT conclude that statutory changes are needed to include additional criteria as to when a LCCA is not feasible, then it should work with the General Assembly to revise the statutory requirements. Furthermore, the Department should more clearly define in the LCCA section of Chapter 53 in its BDE Manual regarding the circumstances when LCCA is required for rehabilitation projects.

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Status – Partially Implemented

In prior follow-up, Department officials stated once the maintenance models for thin concrete overlays have been developed, the Department would have the ability to begin using LCCAs on rehabilitation projects. The Department constructed an overlay in 2015 that was monitored to determine performance compared to control sections, in order to develop maintenance models for Portland Cement Concrete (PCC) Overlays and Structural Hot Mix Asphalt (HMA) Overlays.

We followed up with the Department on the status of the maintenance models which are needed to perform a life-cycle cost analysis. Department officials stated the maintenance models research project has been completed; however, the Department's Bureau of Research has determined LCCA would not be feasible for rehabilitation projects. The Department's Bureau of Research states it does not have enough real-world data to build the life cycle model for this treatment involving a multitude of variables. Due to the results of this research, the Department's Bureau of Research and Office of Legislative Affairs will work with the General Assembly to clarify and revise the statute to specifically define which projects must have LCCA completed, and will coordinate with the Department's Bureau of Design and Environment to ensure Department procedures are updated accordingly.



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