STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL
Christopher B. Meister, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF EMPLOYMENT SECURITY

State Compliance Examination
For the Two Years Ended June 30, 2025

Release Date: August 20, 2026

FINDINGS THIS AUDIT: 12	New	Repeat	Total
Category 1:	**0**	**3**	**3**
Category 2:	1	8	9
Category 3:	0	0	0
TOTAL	1	11	12

FINDINGS LAST AUDIT: 23

AGING SCHEDULE OF REPEATED FINDINGS			
Repeated Since	**Category 1**	**Category 2**	**Category 3**
2023	**3**	**8, 11**	
2021		**7, 10**	
2020	**1, 2**		
2019		**9**	
2017		**4, 5**	
2003		**6**	

SYNOPSIS

- (**25-1**) The Department of Employment Security (Department) did not prepare its monthly bank reconciliations timely.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INADEQUATE CONTROLS OVER CASH RECONCILIATIONS

The Department of Employment Security (Department) did not prepare its monthly bank reconciliations timely.

Bank reconciliations prepared and reviewed late

During our testing of monthly bank reconciliations, we noted that the Department did not prepare monthly bank reconciliations of the Unemployment Compensation Trust Fund (Fund 1138). The Department prepared year-end reconciliations for Fund 1138, but the Department prepared them 28 to 76 days late and reviewed them 30 to 81 days late. (Finding 1, page 9) **This finding has been reported since 2020.**

We recommended the Department prepare a monthly reconciliation for every cash account and fund, which reconciles the bank and general ledger balances. We also recommended each monthly bank reconciliation be timely completed and reviewed and approved by a supervisor.

Department agreed

The Department accepted our recommendations.

OTHER FINDINGS

The remaining findings are reportedly being given attention by Department personnel. We will review the Department's progress towards the implementation of our recommendations in our next State compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the Department for the two years ended June 30, 2025, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2025-001 through 2025-003. Except for the noncompliance described in these findings, the accountants stated the Department complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by RSM US LLP.

SIGNED ORIGINAL ON FILE

COURTNEY DZIERWA
Deputy Auditor General

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

CHRISTOPHER B. MEISTER
Auditor General

CBM:dmg