



**State of Illinois  
ILLINOIS COMMERCE COMMISSION  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2025**

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

**STATE OF ILLINOIS**  
**ILLINOIS COMMERCE COMMISSION**  
**STATE COMPLIANCE EXAMINATION**  
For the Two Years Ended June 30, 2025

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**STATE OF ILLINOIS**  
**ILLINOIS COMMERCE COMMISSION**  
**STATE COMPLIANCE EXAMINATION**  
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**COMMISSION OFFICIALS**

Executive Director (01/01/24 – Present)	Mr. Jonathan Feipel
Executive Director (Interim) (07/01/23 – 12/31/23)	Mr. Jeffrey Crabtree
Deputy Executive Director – Administration	Mr. Jeffrey Crabtree
Deputy Executive Director – Policy (Interim)	Mr. Jeffrey Crabtree
Bureau Chief – Administrative Law Judges	Ms. Sonya Teague-Kingsley
Bureau Chief – General Counsel	Ms. Natalia Delgado
Bureau Chief – Public Utilities	Mr. Jim Zolnierek
Bureau Chief – Transportation	Ms. Shauna Kelley
Director – Administrative Services (01/01/25 – Present)	Ms. Megan Seitzinger
Director – Administrative Services (08/01/24 – 12/31/24)	Vacant
Director – Administrative Services (07/01/23 – 07/31/24)	Mr. Mark Lewis
Chief Internal Auditor	Ms. Libby Jackson

**COMMISSION MEMBERS**

Chairman & Commissioner	Mr. Doug Scott
Commissioner	Ms. Stacey Paradis
Commissioner	Mr. Conrad Reddick
Commissioner	Ms. Ann McCabe
Commissioner	Mr. Michael Carrigan

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
STATE COMPLIANCE EXAMINATION  
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**COMMISSION OFFICES**

The Commission's administrative offices are located at:

Leland Building  
527 East Capitol Avenue  
Springfield, Illinois 62701

Michael A. Bilandic Building  
160 North LaSalle Street, Suite C-800  
Chicago, Illinois 60601

The Commission's police station is located at:

Compliance Office  
9511 West Harrison Street  
Des Plaines, Illinois 60016



State of Illinois  
Illinois Commerce Commission

Jonathan Feipel  
Executive Director

527 East Capitol Avenue  
Springfield, Illinois 62701

MANAGEMENT ASSERTION LETTER

March 23, 2026

Adelfia LLC  
400 E. Randolph Street, Suite 700  
Chicago, Illinois 60601

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Illinois Commerce Commission (Commission). 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 Commission's compliance with the following specified requirements during the two-year period ended June 30, 2025. Based on this evaluation, we assert that during the years ended June 30, 2024, and June 30, 2025, the Commission has materially complied with the specified requirements listed below.

- A. The Commission 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 Commission 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 Commission 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 Commission 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 Commission on behalf of the State or held in trust by the Commission 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 Commerce Commission

**SIGNED ORIGINAL ON FILE**

Jonathan Feipel  
Executive Director

**SIGNED ORIGINAL ON FILE**

Megan Seitzinger  
Director – Administrative Services

**SIGNED ORIGINAL ON FILE**

Natalia Delgado  
Bureau Chief - General Counsel

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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*.

**ACCOUNTANT’S REPORT**

The Independent Accountant’s 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**

<b>Number of</b>	<b><u>Current Report</u></b>	<b><u>Prior Report</u></b>
Findings	10	10
Repeated Findings	7	7
Prior Recommendations Implemented or Not Repeated	3	2

**SCHEDULE OF FINDINGS**

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Last/First Reported</u></b>	<b><u>Description</u></b>	<b><u>Finding Type</u></b>
<b>Current Findings</b>				
2025-001	11	2023/2019	Inadequate Controls over Personal Services	Significant Deficiency and Noncompliance
2025-002	16	2023/2019	Inadequate Controls over Receipts	Significant Deficiency and Noncompliance
2025-003	20	2023/2013	Inadequate Controls over Accounts Receivable	Significant Deficiency and Noncompliance
2025-004	22	2023/2019	Inadequate Controls over Monthly Reconciliations	Significant Deficiency and Noncompliance
2025-005	24	2023/2015	Inadequate Controls over State Vehicles	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>
<b>Current Findings (Continued)</b>				
2025-006	26	2023/2021	Failure to Ensure Reports Filed as Required	Significant Deficiency and Noncompliance
2025-007	28	New	Inadequate Controls over Monitoring of Grant Agreements	Significant Deficiency and Noncompliance
2025-008	30	2023/2023	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2025-009	32	New	Inadequate Controls over Service Providers	Significant Deficiency and Noncompliance
2025-010	34	New	Weaknesses in Contingency Planning and Testing	Significant Deficiency and Noncompliance
<b>Prior Findings Not Repeated</b>				
A	35	2023/2023	Voucher Processing Internal Controls Not Operating Effectively	
B	35	2023/2023	Untimely Submission of Reports by Public Utilities	
C	35	2023/2021	Failure to Provide Proper Notification of Impending Expiration of Licenses and Recovery Permits	

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For the Two Years Ended June 30, 2025**

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Commission personnel at an exit conference on March 12, 2026.

Attending were:

**Illinois Commerce Commission**

Jonathan Feipel, Executive Director  
Megan Seitzinger, Director – Administrative Services  
Jeremy Zemaitis, Director – Information Technology  
Shaun Kerr, Fiscal Manager  
Karen Rieken, Director – Human Resources  
Jim Zolnierek, Bureau Chief – Public Utilities  
Libby Jackson, Chief Internal Auditor  
Natalia Delgado, Bureau Chief – General Counsel  
Phillip Kosanovich, Director – Accountability and Ethics  
Sonya Teague Kingsley, Bureau Chief – Administrative Law Judges  
Tanya Capellan, Director – Retail Market Development

**Office of the Auditor General**

Emily Berger, Manager

**Adelfia LLC**

Stella Marie Santos, Managing Partner  
Gilda Priebe, Partner  
Carl Ong, Senior Manager  
Lira Mae Mendoza, Supervisor

The responses to the recommendations were provided by Libby Jackson, Chief Internal Auditor, in a correspondence dated March 19, 2026.



**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 Commerce Commission

**Report on State Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Illinois Commerce Commission (Commission) 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, 2025. Management of the Commission is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Commission’s compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Commission 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 Commission 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 Commission 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 Commission 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 Commission on behalf of the State or held in trust by the Commission 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 Commission complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Commission complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our 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 Commission's compliance with the specified requirements.

In our opinion, the Commission complied with the specified requirements during the two years ended June 30, 2025, 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 2025-001 through 2025-010.

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

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 2025-001 through 2025-010 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 Commission's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Commission's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
March 23, 2026

**STATE OF ILLINOIS**  
**ILLINOIS COMMERCE COMMISSION**  
**SCHEDULE OF FINDINGS – CURRENT FINDINGS**  
For the Two Years Ended June 30, 2025

2025-001     **FINDING** (Inadequate Controls over Personal Services)

The Illinois Commerce Commission (Commission) did not maintain adequate controls over personal services.

- During testing of employee performance evaluations, we noted:
  - For seven of 25 (28%) employees tested, 11 performance evaluations were not completed timely. The employee evaluations were completed between 10 to 563 days late.
  - For two of 25 (8%) employees tested, two performance evaluations were not performed.

The Illinois Administrative Code (80 Ill. Admin. Code 302.270) requires an evaluation of employee performance be prepared by the Commission not less often than once per calendar year. In addition, the Commission’s *Employee Manual* states all Commission employees are to be evaluated annually, at a minimum, and provides the date when annual performance evaluations are due. In the absence of other criteria regarding timeliness for the evaluation process, the auditors determined 30 days following the end of the evaluation period to be a reasonable time frame during which an evaluation should be administered.

- During our review of employee personnel files, we noted for two of seven (29%) new hire employees tested, Section 2 of the Form I-9 was not signed timely by the Commission. The forms were signed two and eight days late.

The Code of Federal Regulations (Code) (8 C.F.R. § 274a.2(b)(1)(ii)(B)) requires each employer to complete Section 2 on the Form I-9 within three business days after an employee is hired and sign the attestation in the appropriate place.

- During testing of trainings completed, we noted for one of 11 (9%) new hire employees tested, the initial ethics training and initial harassment and discrimination prevention training were not completed.

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/5-10(c)) requires a person who fills a vacancy in an elective or appointed position or is employed in a position requiring ethics training to complete his or her initial ethics training within 30 days after commencement of his or her office or employment. The Act (5 ILCS 430/5-10.5(a-5)) requires each officer, member, and employee to complete his or her initial sexual harassment training program within 30 days after commencement of his or her office or employment.

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- During our review of 25 employees' attendance records, we noted the following:
  - Seven of 10 (70%) vacation leave requests tested for three employees were not approved in advance. The documented approvals were made one to four days after.
  - Two overtime requests tested for one employee were not approved in advance. The documented approvals were made the day after.
  - One of 70 (1%) timesheets tested was not properly completed and approved by the immediate supervisor.
  - One of 70 (1%) timesheets tested was approved by the immediate supervisor despite presenting errors on the timesheet.
  - The Commission's Employee Manual is not properly updated with time reporting procedures which are performed through eTime.

The State Officials and Employees Ethics Act (5 ILCS 430/5-5) requires the Commission to adopt and implement personnel policies for all State employees under his, her, or its jurisdiction and control. The policies required shall include policies relating to work time requirements and documentation of time worked.

The Commission's *Employee Manual* states absences, other than for emergency situations, must be scheduled in advance with the immediate supervisor's approval. Further, the *Employee Manual* states that supervisors are responsible for assuring that time worked, time off, overtime (which must be approved in advance), and leave time are accurately reported by their employees.

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

- During our review of 25 employees' payroll deductions, we noted the Commission incorrectly calculated the federal withholding taxes for four (16%) employees tested and the State withholding taxes for two (8%) employees tested.

The Statewide Accounting Management System (SAMS) Manual (Procedure 23.10.30) states the Commission is responsible for completing the payroll voucher each pay period and attesting to the employee's rate of pay, gross earnings, deductions, net pay, and other required information on the voucher and file. Further, the State Salary and Annuity Withholding Act (5 ILCS 365/3 to 5 ILCS 365/5) states a deduction authorization form,

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which is distributed by the employing agency, authorizes the Comptroller to withhold monies from an employee's gross pay for a specific purpose authorized by the employee. Good internal controls require the payroll voucher deductions be accurately calculated.

- During our review of the State Employees Retirement System (SERS) reconciliations, we noted the Fiscal Year 2024 SERS Census reconciliation was performed and submitted 66 days late.

For employers where their employees participate in plans with multiple-employer and cost-sharing features, the American Institute of Certified Public Accountants' *Audit and Accounting Guide: State and Local Governments* (AAG-SLG) (§ 13.177 for pensions and §14.184 for OPEB) notes the determination of net pension/OPEB liability, pension/OPEB expense, and the associated deferred inflows and deferred outflows of resources depends on employer-provided census data reported to the plan being complete and accurate along with the accumulation and maintenance of this data by the plan being complete and accurate. To help mitigate against the risk of a plan's actuary using incomplete or inaccurate census data within similar agent multiple-employer plans, the AAG-SLG (§13.181 (A-27) for pensions and § 14.141 for OPEB) recommends an employer annually reconcile its active members' census data to a report from the plan of census data submitted to the plan's actuary, by comparing the current year's census data file to both the prior year's census data file and its underlying records for changes occurring during the current year. Based on the Fiscal Year 2024 SERS Guidance, the Commission was requested that the reconciliation be performed and submitted prior to December 2, 2024.

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

During the prior examination, Commission officials indicated the issues noted were due to the persistence of communication obstacles caused by the pandemic and in a few instances, the issues noted were due to oversight. During the current examination, Commission officials indicated the issues noted were due to employee error.

Employee performance evaluations are a systematic and uniform approach for the development of employees and communication of performance expectations to employees. Employee performance evaluations serve as a foundation and documentation for salary adjustments, promotions, demotions, discharges, layoff,

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recall, or reinstatement decisions. Failure to complete the Form I-9 properly could subject the State to unnecessary legal costs and penalties and represents noncompliance with federal regulations. Failure to timely complete ethics and sexual harassment prevention training could result in employees not being fully informed about their rights and responsibilities in the workplace, increases the Commission's risk of liability, and represents noncompliance with the Act. Failure to review and approve timesheets in a timely manner may result in inaccurate time reporting by employees. Failure to ensure leave and overtime requests are properly approved in advance undermines accountability controls and may result in unnecessary personal services expenditures. Failure to accurately calculate and review employee payroll withholding amounts resulted in inaccurate withholdings from Commission employees which is considered misuse of State funds. Finally, failure to perform and submit the SERS reconciliation in a timely manner hinders the process to ensure census data is accurate to reduce payroll errors and risks of financial misstatements. (Finding Code No. 2025-001, 2023-004, 2021-004, 2019-008)

**RECOMMENDATION**

We recommend the Commission timely complete performance evaluations, ensure employees complete all required trainings, timesheets are properly completed and approved timely by the immediate supervisor, and vacation leave and overtime requests are pre-approved in accordance with the Commission's Policy, and update the Employee Manual to properly reflect time reporting procedures performed through eTime. We also recommend the Commission ensure the Form I-9 is properly completed and maintained for all newly hired employees and ensure payroll deductions are properly calculated. Finally, we recommend the Commission ensure the SERS Census reconciliations are performed timely.

**COMMISSION RESPONSE**

The Commission agrees with the finding regarding employee performance evaluations, mandatory trainings, Form I-9, federal and State tax payroll deductions, SERS reconciliation, and the Commission's Employee Manual. The Commission implemented a new notification process in July 2025 to all supervisors, intended to reduce the number of late performance evaluations, and will continue to strive to conduct annual performance evaluations timely. The Commission will ensure all required training is completed timely by all employees on an annual basis, as well as, within 30 days of commencing employment for new hires. Additionally, the Commission will ensure that the Form I-9, Section 1, is completed by the employee on their first date of employment; and HR will complete Section 2 of the Form I-9 within three business days. In early Fiscal Year 2026, a new employee onboarding process was implemented, which will be helpful to new staff to understand what documentation is needed back to HR in the required timeframes. Lastly, the Commission is actively working on updating the Employee Handbook with time reporting procedures which are performed through eTime.

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The Commission respectfully disagrees with the portion of this finding regarding untimely approvals for overtime and leave requests. The Commission's Employee Handbook does not require pre-approval of vacation leave requests to be in writing. A supervisory approval encompasses the employee's request (written or verbal), as well as the time itself. The Commission has since begun utilizing the eTime system for overtime and vacation requests.

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2025-002. **FINDING** (Inadequate Controls over Receipts)

The Illinois Commerce Commission (Commission) did not exercise adequate controls over receipts.

According to Commission records, the Commission collected total revenues of \$42.0 million and \$37.2 million which were deposited into six funds during Fiscal Years 2024 and 2025, respectively.

During testing, we noted:

- In our review of the Commission’s Agency Fee Imposition Report (Report) for Fiscal Year 2024 and Fiscal Year 2025, we noted the following:
  - For four of 27 (15%) fees tested, the Report did not contain the funds into which the fees are deposited and the information on the use of the funds, if earmarked.
  - The total receipts reported on the Report for Fiscal Year 2025 did not agree with the Commission’s receipt ledgers. The Fiscal Year 2025 Report was understated by \$50,612.
  - The Commission did not properly include subpoena and various miscellaneous fees in the Fiscal Years 2024 and 2025 Reports which resulted in an understatement of \$64,476 and \$24,712, respectively.

The State Comptroller Act (15 ILCS 405/16.2(a)) requires the Commission to file the Agency Fee Imposition Report with the Office of Comptroller. The Illinois State Auditing Act (30 ILCS 5/3-8.5) and the Statewide Accounting Management System (SAMS) Manual (Procedure 33.16.10) requires the Agency Fee Imposition Report Form to be used by all State agencies to provide for the reporting by State agencies of the following information:

- (1) A list and description of fees imposed by the agency.
- (2) The purpose of the fees.
- (3) The statutory or other authority for the imposition of the fees.
- (4) The amount of revenue generated.
- (5) The general population affected by the fee.
- (6) The funds into which the fees are deposited.
- (7) The use of the funds, if earmarked.
- (8) The cost of administration and the degree to which the goals of the program are met.

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The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the State's resources. In addition, good internal controls require an agency to review all reports prepared from internal records for accuracy before submission.

The SAMS Manual (Procedure 33.16.20) requires the Commission to submit the Report to the Office of Comptroller and should include fees charged by State agencies to citizens and private organizations which include assessments, fares, fees, levies, licenses, penalties, permits, registrations, tolls, and tuition.

- For 40 receipts tested during the examination period, we noted the following:
  - For one (3%) receipt tested, in the amount of \$16,832, the receipt information (check number) from the Commission's records did not agree with the supporting documentation.
  - For one (3%) receipt tested, in the amount of \$2,265, the Commission did not timely prepare the Receipts Deposit Transmittal (RDT) Form after depositing the receipts into the Treasurer's clearing account. The RDT was prepared four days late.

The SAMS Manual (Procedure 25.10.30) requires Treasurer's Drafts to be remitted to the Office of Comptroller via the RDT form. Good internal controls require deposits to be processed timely to increase the balance of funds available for expenditure. We determined 30 days to be a reasonable time frame.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and revenues are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the State's resources.

The Commission is responsible for an adequate system of review of the completeness and accuracy of the agency's financial records. In addition, the State Records Act (5 ILCS 160/9) requires the Commission to establish and maintain a program for agency records management, which shall include effective controls over the creation and maintenance of records.

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- For one of 10 (10%) non-sufficient fund (NSF) checks tested, the related license was not properly canceled or revoked until a valid payment was received.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the State's resources.

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

During the prior examination, Commission officials indicated the deficiencies noted were the result of turnover in staff. During the current examination, Commission officials indicated the issues noted were due to employee oversight and error in recording receipts, completion of the fee imposition reports, and reviewing NSF checks.

Failure to establish and maintain internal controls over receipts and related reporting increases the risk that errors or other irregularities could occur and not be found within the normal course of operations, delays the recognition of available cash within the State Treasury, and represents noncompliance with State laws, rules, and regulations. In addition, inaccurate reporting of fees by the Commission reduces the reliability of the Statewide Report submitted to the General Assembly and represents noncompliance with SAMS. Finally, not properly canceling or revoking licenses due to lack of valid payment may result in legal risks and enforcement difficulties. (Finding Code No. 2025-002, 2023-002, 2021-003, 2019-005)

**RECOMMENDATION**

We recommend the Commission establish adequate controls over the receipts process to ensure RDT forms are prepared timely, and accurate and adequate records of receipts are maintained. We also recommend the Commission ensure Fee Imposition Reports accurately report all pertinent activity. Finally, we recommend the Commission ensure proper handling of NSF checks and ascertain the related effect to license validity.

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**COMMISSION RESPONSE**

The Commission agrees with the finding. The Commission will strengthen its processes to ensure proper controls over receipts and related reporting.

To address this, the Commission will:

- Reinforce employee training on completion and review of the Agency Fee Imposition Report, receipts documentation, and NSF handling requirements.
- Provide targeted refresher training when employee turnover occurs or responsibilities change.

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2025-003. **FINDING** (Inadequate Controls over Accounts Receivable)

The Illinois Commerce Commission (Commission) lacked adequate control over its accounts receivable.

As of June 30, 2025, the Commission reported accounts receivable of \$0.9 million (net of estimated uncollectible accounts, totaling \$3.3 million) to the Office of Comptroller.

During testing of 40 accounts receivable, we noted six (15%) of the tested accounts, totaling \$5,980, were over 90 days past due but not referred to the Department of Revenue's Debt Collection Bureau.

In addition, for one of 40 (3%) accounts receivable tested, the company name per Commission records did not agree with the supporting document.

The Illinois State Collection Act of 1986 (Act) (30 ILCS 210/5(g)) requires the Commission to refer all debt due to the State satisfying the requirements for referral to the Department of Revenue's Debt Collection Bureau. In addition, the Illinois Administrative Code (74 Ill. Admin. Code 1200.50) defines delinquent debt as any amount owed of \$10 or more that is more than 90 days past due, not subject to further legal action or a payment plan.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources 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. In addition, the State Records Act (5 ILCS 160/9) requires the Commission to establish and maintain a program for agency records management, which shall include effective controls over the creation and maintenance of records.

This finding was first noted during the examination of the two years ended June 30, 2013 and Commission officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Commission's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Commission officials stated steps towards corrective action has been ongoing and disposition of accounts receivable is a multi-step process and timely resolution has been hindered by turnover in staff. During the current examination, Commission officials indicated the exceptions were a result of inconsistent execution of the accounts receivable disposition process, delays finalizing referral determinations due to required follow-ups, and employee error.

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Failure to refer receivables to the Department of Revenue’s Debt Collection Bureau increases the likelihood that past due amounts owed to the Commission will not be collected or the collection will be further delayed and represents noncompliance with State laws and regulations. Further, not properly recording accounts receivable information can lead to delays in collecting amounts owed and inaccurate reporting when required to refer to other agencies. (Finding Code No. 2025-003, 2023-003, 2021-001, 2019-001, 2017-001, 2015-001, 2013-001)

**RECOMMENDATION**

We recommend the Commission pursue all reasonable and appropriate measures to collect outstanding debts as required by State laws and regulations. Further, we recommend the Commission establish adequate controls to ensure records of receivables are maintained accurately.

**COMMISSION RESPONSE**

The Commission agrees with the finding. The Commission will strengthen controls over accounts receivable disposition to ensure receivables meeting referral criteria are timely identified, accurately recorded, and referred in accordance with State requirements. Management will reinforce review of aging reports and documentation supporting disposition decisions to improve timeliness and data accuracy. Although this finding persists, the Commission has done work to significantly reduce the number and amount of accounts receivables past due.

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2025-004. **FINDING** (Inadequate Controls over Monthly Reconciliations)

The Illinois Commerce Commission (Commission) did not maintain adequate controls over monthly reconciliations.

The Commission expended \$55.8 million and \$62.8 million from six funds in Fiscal Years 2024 and 2025, respectively. The Commission collected total revenues of \$42.0 million and \$37.2 million which were deposited into six funds in Fiscal Years 2024 and 2025, respectively.

During testing of the Commission’s monthly reconciliations, we noted the following:

- Fourteen of 144 (10%) monthly reconciliations of the Commission’s records to the Office of Comptroller’s *Monthly Revenue Status Report* (SB04) were not initialed by the preparer.
- Nineteen of 144 (13%) monthly reconciliations of the Commission’s records to the Office of Comptroller’s SB04 were not dated. As a result, we were unable to determine whether the reconciliation was timely performed.
- Five of 144 (3%) monthly reconciliations of the Commission’s records to the Office of Comptroller’s SB04 were not completed during Fiscal Year 2025.
- One of 31 (3%) monthly reconciliations of the Commission’s records to either the Office of Comptroller’s *Agency Contract Report* (SC14) or *Obligation Activity Report* (SC15) was completed 19 days late. The late reconciliation was for Fiscal Year 2024.

The Statewide Accounting Management System (SAMS) Manual (Procedures 07.30.20) requires the Commission to perform monthly reconciliations of the Office of Comptroller’s SB04 and SC14 or SC15 reports to its internal records within 60 days of month end to ensure the early detection and correction of errors.

This finding was first noted during the examination of the two years ended June 30, 2019 and Commission officials took substantive steps to implement corrective actions. However, exceptions on SB04 and SC14 or SC15 reconciliations still persist. In addition, the Commission’s management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

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During the prior examination, Commission officials indicated implementing corrective action in response to the prior report was precluded by turnover in staff and competing priorities. During the current examination, Commission officials indicated the lack of date and/or initial was due to oversight. For the reconciliations not completed timely, Commission officials indicated turnover in key fiscal positions and competing operational priorities contributed to delays.

Failure to timely and properly document reconciliations of the Commission's records to the Office of Comptroller's reports hinders the ability of staff to identify and correct errors which could result in incomplete and inaccurate financial information and represents noncompliance with SAMS Manual. (Finding Code No. 2025-004, 2023-005, 2021-002, 2019-003)

**RECOMMENDATION**

We recommend the Commission ensure all required monthly reconciliations are performed, documented, and reviewed timely.

**COMMISSION RESPONSE**

The Commission agrees with the finding. The Commission has since filled 2 key vacancies contributing to the delays noted. Additionally, the Fiscal Manager will perform a review to ensure timely completion and proper documentation (initials/date performed) is included.

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2025-005. **FINDING** (Inadequate Controls over State Vehicles)

The Illinois Commerce Commission (Commission) did not maintain adequate controls over its State vehicles.

As of June 30, 2025, the Commission had a total of 48 State vehicles (41 individually-assigned and 7 pool or back up vehicles).

During testing, we noted the Commission did not ensure its vehicles were properly maintained during the examination period. We reviewed the maintenance records for six State vehicles, noting the following:

- Three (50%) State vehicles tested did not have routine oil changes performed on a timely basis within the allotted mileage requirement ranging from 11 to 487 miles overdue (after considering the Department of Central Management Services (CMS) 500-mile grace period for the oil change intervals).
- One (17%) State vehicle tested did not receive tire rotations at the required interval.
- Two (33%) State vehicles tested did not receive an annual inspection during Fiscal Year 2024.

The Illinois Vehicle Code (44 Ill. Admin. Code 5040.400) requires the Commission to ensure its owned or leased vehicles undergo regular service and/or repair to maintain the vehicle in a road worthy, safe operating condition and in an appropriate cosmetic condition. In addition, the Commission's Vehicle Use Policy and the CMS Vehicle Usage Policy require oil changes on vehicles 10 years or older every 3,000 miles or 12 months, whichever comes first. Vehicles nine years and newer must receive an oil change every 5,000 miles or 12 months, whichever comes first, and a tire rotation every other oil change. The Commission is also required to obtain at least one Annual Preventative Maintenance check through the Division of Vehicles State Garage or authorized vendor for its vehicles. The CMS Vehicle Usage Program, effective July 1, 2012, requires agencies to follow prescribed maintenance and inspection intervals to keep fleet costs down.

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

During the prior and current examination, Commission officials indicated the issues noted were due to vehicle driver's oversight (i.e. lack of awareness of or attention to maintenance requirements).

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Failure to adequately maintain vehicles may cost the State significant amounts in future years through additional repair bills and shortened useful lives for vehicles. Further, failure to timely perform routine maintenance and inspections are considered noncompliance with State laws and regulations. (Finding Code No. 2025-005, 2023-006, 2021-005, 2019-007, 2017-003, 2015-004)

**RECOMMENDATION**

We recommend the Commission ensure proper maintenance is performed for each vehicle.

**COMMISSION RESPONSE**

The Commission agrees with the finding. The Commission has increased training and implemented additional tracking to further ensure the Commission is in compliance with the Illinois Vehicle Code.

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2025-006. **FINDING** (Failure to Ensure Reports Filed as Required)

The Illinois Commerce Commission (Commission) did not ensure the licensed Agents, Brokers, and Consultants (ABC) submitted the required annual compliance reports to the Commission timely.

As of June 30, 2025, there were 745 total active ABCs per Commission records.

During testing, we noted eight of 25 (32%) ABCs tested did not submit the annual compliance recertification report to the Commission timely. The required report was submitted between one and 140 days late. The Commission did not provide any action or citation to address the late filings of the ABCs.

The Public Utilities Act (Act) (220 ILCS 5/16-115C(f)) requires any person or entity licensed under this section to file with the Commission all of the following information no later than March of each year:

- 1) A verified report detailing any and all contractual relationships that it has with certified electricity suppliers in the State regarding retail electric service in Illinois;
- 2) A verified report detailing the distribution of its customers with the various certified electricity suppliers in Illinois during the prior calendar year. A report under this Section shall not be required to contain customer-identifying information; and
- 3) A verified statement of any changes to the original licensure qualifications and notice of continuing compliance with all requirements.

The Act (220 ILCS 5/16-115C(g)) requires the Commission to have jurisdiction over disciplinary proceedings and complaints for violations of this Section. The findings of a violation of this Section by the Commission shall result in a progressive disciplinary scale. For a first violation, the Commission may, in its discretion, suspend the license of the person so disciplined for a period of no less than one month. For a second violation within a 5-year period, the Commission shall suspend the license for the person so disciplined for a period of not less than 6 months. For a third or subsequent violation within a 5-year period, the Commission shall suspend the license of the disciplined person for a period of not less than 2 years.

This finding was first noted during the examination of the two years ended June 30, 2021 and Commission officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Commission's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

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During the prior and current examination, Commission officials indicated action to address the late filings of the ABCs was delayed due to continued delays in reviewing annual reports, and delays in citation dockets due to staff shortage and other dockets with statutory deadlines.

Failure to ensure annual compliance recertification reports are timely submitted by the ABCs may result in untimely suspension or revocation of licenses, could subject the State to unnecessary legal risks and enforcement difficulties, and represents noncompliance with the Act. (Finding Code No. 2025-006, 2023-009, 2021-009)

**RECOMMENDATION**

We recommend the Commission ensure annual compliance reports are timely submitted by the ABCs and provide timely disciplinary action for those ABCs that file late.

**COMMISSION RESPONSE**

The Commission agrees with the finding. Commission Staff continue to update and improve the process to increase efficiency and reduce the length of time needed for each citation filing. The updated process includes coordination across multiple departments.

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2025-007. **FINDING** (Inadequate Controls over Monitoring of Grant Agreements)

The Illinois Commerce Commission (Commission) did not exercise adequate controls over monitoring of grant agreements.

During Fiscal Years 2024 and 2025, the Commission was awarded \$9.3 million of grant funding from the U.S. Department of Transportation (U.S. DOT) through its various programs.

We tested all three active grant programs during the examination period with four grant agreements between the Commission and the U.S. DOT.

For one of four (25%) grant agreements tested, we noted the following:

- The Commission did not timely submit the mid-term federal financial report (SF-425) and progress report to the U.S. DOT. The reports were submitted 39 days late.
- The grant term ended on September 29, 2024, however the Commission did not submit the final federal financial report (SF-425) and progress report to the U.S. DOT within 120 days after the period of performance ended. Further, the reports still had not been submitted as of June 30, 2025.

The Assistance Agreement for the Pipeline Emergency Response Grant between the Commission and the U.S. DOT Pipeline and Hazardous Materials Safety Administration requires the Commission to submit a mid-term SF-425 and progress report no later than 30 days after the project period mid-point. Further, the Commission is required to submit a final progress report and a final SF-425 no later than 120 days after the period of performance has ended.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law.

Commission officials indicated the mid-term federal financial report and progress report were not timely submitted due to the late receipt of necessary information from the subrecipient. Further, the final progress and federal financial reports were not yet submitted since the Commission is still waiting for its subrecipient to provide the information for reporting.

Failure or delay in the submission of required reports could result in delays in the grantor's decision-making process, improper use and payment of grant funds, and is noncompliance with the assistance agreement and the Act. (Finding Code No. 2025-007)

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**RECOMMENDATION**

We recommend the Commission ensure all reporting requirements are adhered to and continue to work with each subrecipient to ensure required reports are submitted timely.

**COMMISSION RESPONSE**

The Commission agrees with the finding. The Commission agrees that the required reports were not submitted within the timelines specified in the grant agreement. The delays were attributable to the late receipt of required financial and programmatic information from the subrecipient, which is necessary for the Commission to complete and certify federal reporting. While the Commission retains responsibility for submission of required reports, the reporting process for this grant relied on timely information from the subrecipient. The Commission will evaluate its grant monitoring and subrecipient follow-up procedures to strengthen oversight and help ensure timely submission of required federal reports.

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2025-008. **FINDING** (Weaknesses in Cybersecurity Programs and Practices)

The Illinois Commerce Commission (Commission) had not implemented adequate internal controls related to cybersecurity programs, practices, and control of confidential information.

The Commission is responsible for regulating various industries in the State; public utilities, transportation, etc. In order to carry out their mission, the Commission utilizes several IT applications which contains confidential and personal information.

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

- Developed a formal, comprehensive, adequate, and communicated security program (including policies, procedures, and processes as well as clearly defined responsibilities over the security of computer programs and data) to manage and monitor the regulatory, legal, environmental, and operational requirements.
- Developed a comprehensive project management framework or system development methodology to ensure new applications were adequately developed and implemented in accordance with management’s expectations.
- Conducted a review of policies during the examination period. The policies had not been reviewed since 2005, 2006, and 2019.
- Developed a risk assessment methodology, conducted a comprehensive risk assessment, or implemented risk reducing controls.
- Adequately classified its data to identify and ensure sufficient protection of information.
- Developed policies and procedures for the reporting of security violations or suspected violations.
- Ensured timely remediation of identified vulnerabilities was taken.
- Had not performed and documented periodic user access reviews.

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.

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The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State’s resources.

Commission officials indicated competing priorities resulted in delay in developing and updating policies and procedures.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities, which could ultimately lead to the Commission’s confidential and personal information being susceptible to cyberattacks and unauthorized disclosure. (Finding Code No. 2025-008, 2023-010)

**RECOMMENDATION**

We recommend the Commission implement internal controls related to cybersecurity programs, practices, and control of confidential information. Specifically, we recommend the Commission:

- Develop a formal, comprehensive, adequate, and communicated security program to manage and monitor the regulatory, legal, environmental, and operational requirements.
- Develop a comprehensive project management framework and system development methodology to ensure new applications are adequately developed and implemented in accordance with management’s expectations.
- Conduct a review of all policies at least annually.
- Develop a risk assessment methodology, conduct a comprehensive risk assessment, and implement risk reducing controls.
- Classify its data to identify and ensure adequate protection of information.
- Develop policies and procedures for the reporting of security violations or suspected violations.
- Ensure timely remediation of identified vulnerabilities is taken.
- Ensure periodic user access reviews are performed and documented.

**COMMISSION RESPONSE**

The Commission agrees with the finding. The Commission continues to implement a comprehensive cybersecurity program through its Cybersecurity and Risk Management Division (C&RM) in coordination with the Commission Information Technology Division and Legal Counsel.

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2025-009. **FINDING** (Inadequate Controls over Service Providers)

The Illinois Commerce Commission (Commission) did not conduct an adequate independent internal control review over its service providers.

The Commission utilized two service providers for software as a service and hosting services. We requested the System and Organization Controls (SOC) reports and the Commission's documentation of their review of internal controls over service providers. During our testing, we noted the Commission had not obtained the SOC report of one (50%) of the two service providers and had not performed an independent assessment of internal controls over that service provider to determine controls are in place and operating effectively.

The *National Institute of Standards and Technology's (NIST) Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision), 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 SOC reports or independent reviews.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations and properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Commission officials indicated the issues noted were due to competing priorities. Commission officials further indicated delays in obtaining the SOC report were due to the service provider requiring a Non-Disclosure Agreement prior to providing the SOC report to the Commission. The Non-Disclosure Agreement is currently under review by the Commission's Legal Counsel.

Without having adequate controls over service providers, including proper documentation and timely reviews of SOC reports or another form of independent internal controls review, the Commission does not have assurance the service providers' internal controls are adequate to support the Commission's processes and ensure its data are secured. (Finding Code No. 2025-009)

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**RECOMMENDATION**

We recommend the Commission conduct an adequate independent internal control review over its service providers to determine whether controls are in place and operating effectively.

**COMMISSION RESPONSE**

The Commission agrees with the finding. The Commission has a process in place for identifying service providers and reviewing reports.

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2025-010. **FINDING** (Weaknesses in Contingency Planning and Testing)

The Illinois Commerce Commission (Commission) had not completely developed a contingency or disaster recovery plan or conducted recovery testing to ensure the timely recovery of its applications and data.

During our examination, we noted the Commission had not completed its Information Systems Contingency Plan (ISCP) documents. Further, disaster recovery testing was not completed during Fiscal Years 2024 and 2025.

The *Contingency Planning Guide for Information Technology Systems* published by the National Institute of Standards and Technology (NIST) requires entities to have an updated and regularly tested disaster contingency plan to ensure the timely recovery of applications and data.

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

Commission officials indicated the issues noted were due to lack of available resources and competing priorities. The ISCPs are in development with the Department of Innovation and Technology (DoIT).

Failure to adequately plan for the recovery of the applications and data could result in the loss of data and inability to recover within an acceptable time period. (Finding Code No. 2025-010)

**RECOMMENDATION**

We recommend the Commission complete the development of a contingency or disaster recovery plan and conduct recovery testing to ensure the timely recovery of its applications and data.

**COMMISSION RESPONSE**

The Commission agrees with the finding. The Commission intends to complete remaining ISCPs and contingency planning as required.

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A. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively)

During the prior examination, the Illinois Commerce Commission’s (Commission) internal controls over its voucher processing function were not operating effectively.

During the current examination, our testing indicated significantly improved controls over its voucher processing function. (Finding Code No. 2023-001)

B. **FINDING** (Untimely Submission of Reports by Public Utilities)

During the prior examination, the Illinois Commerce Commission (Commission) did not ensure the monthly and annual disconnection and credit and collections reports by public utilities were timely submitted in accordance with the Public Utilities Act (Act).

During the current examination, our sample testing indicated improvements over timely submission of the monthly and annual disconnection and credit and collections reports by public utilities in accordance with the Act. (Finding Code No. 2023-007)

C. **FINDING** (Failure to Provide Proper Notification of Impending Expiration of Licenses and Recovery Permits)

During the prior examination, the Illinois Commerce Commission (Commission) did not provide proper notification of the impending expiration of licenses and recovery permits.

During the current examination, our sample testing indicated improved controls over proper notification of the impending expiration of licenses and recovery permits. (Finding Code No. 2023-008, 2021-008)