

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Compliance Examination

For the Two Years Ended June 30, 2024

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

**State of Illinois
Department of Revenue**

**Compliance Examination
For the Two Years Ended June 30, 2024**

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**State of Illinois
Department of Revenue**

**Compliance Examination
For the Two Years Ended June 30, 2024**

Agency Officials

Director	David Harris
Assistant Director	Vacant
Associate Director	Africa (7/16/2020 – 8/11/2024) Vacant (8/12/2024 – Present)
Chief of Staff	Jim Nichelson
Chief Financial Officer	Cory Staley (7/1/2024 – 12/31/2025) Jacob Flori, Acting (1/1/2026 – 3/31/2026) Emily Glynn (4/1/2026 – Present)
Chief Internal Auditor	Nikki Lanier
General Counsel	Colin Bowes-Carlson (9/1/2021 – 5/24/2024) Brian Fliflet, Acting (5/25/2024 – 9/30/2024) Bridget DiBattista (10/1/2024 – Present)

IDOR Offices are located at:

Springfield, Illinois

Willard Ice Building
101 West Jefferson Street
Springfield, Illinois 62702

Des Plaines, Illinois

Maine North Regional Building
9511 Harrison Avenue
Des Plaines, Illinois 60016

Marion, Illinois

2309 West Main Street, Suite 114
Marion, Illinois 62959

Chicago, Illinois

555 West Monroe Street, Suite 1100
Chicago, Illinois 60661

Fairview Heights, Illinois

15 Executive Drive, Suite 2
Fairview Heights, Illinois 62208

Rockford, Illinois

200 South Wyman Street
Rockford, Illinois 61101

101 West Jefferson Street
Springfield IL 62702
217.785.7570

555 West Monroe Street
Chicago IL 60661
312.814.3190



JB Pritzker
Governor

David Harris
Director

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
MANAGEMENT ASSERTION LETTER

April 15, 2026

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, Illinois 60173

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 Illinois Department of Revenue (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, 2024. Based on this evaluation, we assert that during the years ended June 30, 2023 and June 30, 2024, 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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 Revenue

SIGNED ORIGINAL ON FILE

David Harris, Director

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Emily Glynn, Chief Financial Officer

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Bridget DiBaitista, General Counsel

**State of Illinois
Department of Revenue**

**Compliance Examination
For the Two Years Ended June 30, 2024**

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 or disclaimers but does contain a modified opinion on compliance and identifies material weaknesses in internal control over compliance.

SUMMARY OF FINDINGS

	<u>Current</u>	<u>2023</u>	<u>2022</u>
GAS Findings	1	1	3
State Compliance Findings	8	N/A	15
Total Findings	9	1	18
GAS New Findings	1	-	3
GAS Repeated Findings	-	1	-
GAS Not Repeated Findings	1	2	1
State Compliance New Findings	-	N/A	11
State Compliance Repeated Findings	8*	N/A	4
State Compliance Not Repeated Findings	9	N/A	4

** Finding 2022-002 was previously reported as a finding in the Department's Financial Audit Report for the year ended June 30, 2022. During the current examination period, this finding has been reclassified to a State Compliance Finding.*

**State of Illinois
Department of Revenue**

**Compliance Examination
For the Two Years Ended June 30, 2024**

COMPLIANCE REPORT

SUMMARY (Continued)

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2024-001	10	2024/2024	Error in Financial Reporting for Change in Reporting Entity	Material Weakness and Material Noncompliance
2024-002	12	2024/2022	Inadequate Internal Controls over GenTax	Material Weakness and Material Noncompliance
2024-003	14	2024/2018	Complete Populations Not Provided	Material Weakness and Material Noncompliance
2024-004	17	2024/2022	Inadequate Controls over Contingency Planning	Significant Deficiency and Noncompliance
2024-005	19	2024/2007	Exceptions in Testing Personnel	Significant Deficiency and Noncompliance
2024-006	22	2024/2018	Inadequate Controls over Processing and Recording of State Property and Equipment	Significant Deficiency and Noncompliance
2024-007	25	2024/2022	Failure to Demonstrate Restricted Access was Adequately Maintained	Significant Deficiency and Noncompliance
2024-008	26	2024/2022	Inadequate Controls over Agency Workforce Reports	Significant Deficiency and Noncompliance
2024-009	27	2024/2020	Weakness in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance

Prior Findings Not Repeated

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>
A.	29	2022/2022	Weaknesses in Internal Controls over Reporting Federal Operating Grants
B.	29	2023/2022	Inadequate Controls over Service Providers
C.	29	2022/2022	Inadequate Controls over the Cigarette Tax Act
D.	29	2022/2022	Inadequate Controls over Consolidated Agency Issues
E.	29	2022/2022	Inadequate Controls over Contracts
F.	30	2022/2022	Inadequate Controls over the Cancellation of Telecommunication Devices
G.	30	2022/2022	Inadequate Controls over the Application Process of Qualifying Water Treatment Facilities
H.	30	2022/2022	Inadequate Controls over Security and Control of Remote Access
I.	30	2022/2022	Voucher Processing Weakness
J.	30	2022/2022	Inadequate Controls over the Security and Control of Confidential Information (SCCI)

**State of Illinois
Department of Revenue**

**Compliance Examination
For the Two Years Ended June 30, 2024**

COMPLIANCE REPORT

Financial Exit Conference

Finding 2024-001 and its associated recommendation appearing in this report was discussed with Department personnel at an exit conference on January 14, 2026. Attendees were:

Illinois Department of Revenue:

David Harris	Director
Jim Nichelson	Chief of Staff
Cory Staley	Former Chief Financial Officer
Jacob Flori	Acting Chief Financial Officer
Nikki Lanier	Chief Internal Auditor
Angela Bartlett	Deputy Chief Internal Auditor

Office of the Auditor General:

Stacie Sherman	Senior Audit Manager
Sara Metzger	Senior Quality Coordinator

RSM:

Bill Sarb	Partner
Katie Rodriguez	Senior Manager

State Compliance Exit Conference

Findings 2024-002 through 2024-009 and their associated recommendations appearing in this report were discussed with Department personnel at an exit conference on March 4, 2026. Attendees were:

Illinois Department of Revenue:

David Harris	Director
Jacob Flori	Acting Chief Financial Officer
Nikki Lanier	Chief Internal Auditor
Angela Bartlett	Deputy Chief Internal Auditor

Office of the Auditor General:

Stacie Sherman	Senior Audit Manager
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RSM:

Bill Sarb	Partner
Katie Rodriguez	Senior Manager
Madison Palin	Manager
Allison Shay	Manager

The responses to these remaining recommendations were provided by Nikki Lanier, Chief Internal Auditor, in correspondence dated March 13, 2026.



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

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Department of Revenue's (Department) compliance 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, 2024. Management of the Department is responsible for the Department's 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.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA); 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, in all material respects, with the specified requirements. 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 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 modified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to this engagement.

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

Our examination disclosed material noncompliance with the following specified requirement applicable to the Department during the two years ended June 30, 2024.

As described in the accompanying Schedule of Findings as items 2024-001, 2024-002 and 2024-003, the Department had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirement described in the preceding paragraph, the Department complied, in all material respects, with the aforementioned requirements for the two years ended June 30, 2024. However, the results of our procedures disclosed other 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 2024-004 through 2024-009.

Government Auditing Standards require the auditor to perform limited procedures on the Department's responses to the noncompliance findings identified in our examination 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 as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be a material weaknesses and significant deficiencies.

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 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. We consider the deficiencies described in the accompanying Schedule of Findings as items 2024-001, 2024-002 and 2024-003 to be material weaknesses.

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 in internal control, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2024-004 through 2024-009 to be significant deficiencies.

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

Government Auditing Standards require the auditor to perform limited procedures on the Department's responses to the internal control findings identified in our examination 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 on internal control 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

Schaumburg, Illinois
April 15, 2026

**State of Illinois
Department of Revenue**

**Schedule of Findings
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-001 Error in Financial Reporting for Change in Reporting Entity

The Illinois Department of Revenue (Department) failed to identify and report the full impact of a change in the reporting entity.

During the fiscal year, there was a change in the reporting entity resulting from Public Act 103-0008 which transferred the role of funding agent for the Illinois Housing Development Authority (IHDA), a component unit of the State, from the Department to the Illinois Department of Human Services on July 1, 2023. The Department evaluated the impact of this change on the financial statements of the Department and reported a restatement of opening net position/fund balance based on the financial impact of two governmental funds, one which is an account of the General Fund and one which is a non-major special revenue fund. However, subsequent to the issuance of the Department's financial statements, it was discovered that the restatement did not take into account all required elements. The Department should have also considered the eligibility requirements when recognizing the advances in the governmental funds and the prepaid expense balance recorded through a government wide reconciling item on the Statement of Net Position as of June 30, 2023, related to their role as funding agent for IHDA. The audited financial statements for the year ended June 30, 2024 were required to be recalled and reissued. The Department's June 30, 2024 financial statements have been adjusted to reflect this correction. The impact reduced net position as of the beginning of the year and general government expenses on the Statement of Activities by \$391 million respectively.

Governmental Accounting Standards Board (GASB) Statement Number 100, *Accounting Changes and Error Corrections* (GASB 100), includes the requirements for evaluating a change in the reporting entity and how a change would impact an organization's financial statements.

Governmental Accounting Standards Board (GASB) Statement Number 33, *Accounting and Financial Reporting for Nonexchange Transactions* (GASB 33), includes the requirements for the recognition requirements for providers and recipients in government-mandated nonexchange and voluntary nonexchange transactions.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department 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 maintain accountability over the State's resources.

Department management indicated it evaluated the requirements of GASB 100, as well as other relevant guidance, and believed it had properly accounted for the change in reporting entity.

Failure to fully assess the impact of the change in reporting entity resulted in a material misstatement of the Department's Statement of Activities for the year ended June 30, 2024. (Finding Code No. 2024-001)

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-001 Error in Financial Reporting for Change in Reporting Entity (Continued)

Recommendation

We recommend the Department continue to monitor all financial reporting requirements under the standards set by the GASB and work with the Illinois Office of the Comptroller, the Governor's Office of Management and Budget and all other applicable parties to continue to assist in the State's financial reporting process moving forward.

Department Response

The Department will continue to prioritize accurate financial reporting.

During fiscal year 2022, the Department reported grant revenue related to its role of funding agent for the Illinois Housing Development Authority (IHDA) pursuant to direction from the Illinois Office of the Comptroller (IOC). The auditors disagreed with the IOC's directions, issued Finding 2022-001, and required the Department to report revenue in its financial statements in a manner inconsistent with the State's annual comprehensive financial report.

Public Act 103-0008 transferred the funding agent role from the Department to the Illinois Department of Human Services (IDHS) on July 1, 2023. The Department reviewed GASB 100, restated balances, prepared a footnote disclosure, and discussed with the auditors. These measures were taken to avoid another finding. The auditors reviewed the draft and recommended changes, which the Department made before submitting its fiscal year 2024 financial report on October 15, 2024. The auditors released the Department's financial report on July 15, 2025. While completing the IDHS audit in November 2025, the auditors determined different reporting for the transfer was appropriate so both agency reports were consistent with generally accepted accounting principles and one another. The auditors recalled the Department's report and issued Finding 2024-001 to the Department in January 2026.

Management recognizes it is responsible for the Department's financial statements. However, the adjustment was initiated because the auditors provided new direction after the report had been issued. The adjustment does not impact the State's annual comprehensive financial report. The State has implemented a new, state-wide financial statement audit approach for fiscal year 2025. The approach will improve the State's financial reporting process applying consistent reporting requirements statewide.

The Department has implemented the auditor's recommendation. Management will continue to monitor all financial reporting requirements under the standards set by the GASB and work with the IOC, the Governor's Office of Management and Budget and all other applicable parties to continue to assist in the State's financial reporting process.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-002 Inadequate Internal Controls over GenTax

The Illinois Department of Revenue (Department) did not have adequate internal controls over the enterprise tax system (GenTax).

During testing performed over the security controls of GenTax, we noted:

- For 2 of 74 (3%) individuals tested, the Department did not have documentation of GenTax approval or documentation to support the request was approved by an authorized approver.
- For 1 of 72 (1%) separated employees, the Department provided no documentation of access termination; therefore, we were unable to determine access was timely terminated.
- 4 of 72 (6%) individuals' GenTax access was not terminated timely following separation. The access was terminated between 14 and 59 days after separation.
- For 2 of 105 (2%) sampled changes, the Department did not provide documentation of the user impact. This is a required field per the change management procedures.
- 3 of 46 (7%) of sampled employees had access to the production environment beyond read-only.

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), Access Control section, requires entities to timely grant individuals' access to the applications, and to terminate access upon separation. In addition, the *Guide to Computer Security Log Management* (Special Publication 800-92) published by the NIST sets forth best practices for internal controls over computer security.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to ensure State resources are used efficiently and effectively.

Further, the Department's Access Control Procedures require the Department to remove GenTax access of separated employees after separation.

Department management indicated these exceptions were due to employee oversight and lack of documentation.

Failure to timely grant and terminate users' access puts the Department at risk of unauthorized access to GenTax. (Finding Code No. 2024-002, 2022-002)

Recommendation

We recommend the Department strengthen its internal controls to ensure user access is immediately terminated in accordance with Department policy, new hires have proper approvals prior to obtaining access and change management procedures are consistently followed by requiring complete documentation of user impact for all system changes, as required by Department policy.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-002 Inadequate Internal Controls over GenTax (Continued)

Department Response

The Department accepts the recommendation. We will remind supervisors of the importance of ensuring user access is terminated timely and that new hire documentation reflects proper approvals prior to granting access. Change management procedures will be updated to provide additional instruction when completing all required fields.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-003 Complete Populations Not Provided

The Illinois Department of Revenue (Department) was unable to provide adequate records substantiating the completeness of populations for one or more laws, regulations, or other requirements.

During our examination, we noted the following:

- While testing compliance with commodities, we requested the Department's commodities year-end balances (quantity) for fiscal years 2023 and 2024. To determine completeness of the listings, we recalculated ending balances based on the supporting documents. The recalculation for Fiscal Year 2023 resulted in 38,468 less commodity items than the ending balance provided by the Department. This also resulted in an incorrect beginning balance for Fiscal Year 2024. The recalculation for Fiscal Year 2024 resulted in 74,971 more commodity items than the ending balance provided by the Department. As a result, we are unable to determine if there were other items which should have been included in the commodity balances which we may be unaware.

The Department personnel stated the exceptions were due to data entry errors and a lack of secondary review.

- While testing compliance with Agency Workforce Reports, the supporting documentation to support Fiscal Year 2022 and 2023 Reports, filed in Fiscal Years 2023 and 2024, respectively, were not complete and accurate. Specifically, the number of employees in the support provided does not reconcile with the agency reports both in total and per breakdown.

Department management indicated the errors were due to human error, turnover in personnel, and a lack of oversight by the applicable program area.

- While testing compliance with personal services, we requested the Department's employee populations for employees who were hired, employees who had separated employment from the Department, and active employees as of the last payroll period for Fiscal Years 2023 and 2024. While reviewing the lists, the following exceptions were noted:
 - 6 employees who separated during Fiscal Year 2023 were improperly excluded from the termination listing.
 - 2 employees were not included on the active list for Fiscal Year 2023.
 - 5 employees were improperly excluded from the new hires listing for Fiscal Year 2023.
 - 1 employee was improperly excluded from the new hires listing for Fiscal Year 2024.
 - 12 employees who separated during Fiscal Year 2024, were improperly excluded from the termination listing.
 - 6 employees were included on the termination listing for Fiscal Year 2023 but were not listed on the Fiscal Year 2022 active listing or the Fiscal Year 2023 new hire listing.
 - 1 employee was improperly included in the termination listing for Fiscal Year 2024.
 - Using reports provided by the Department, we were unable to reconcile the total population for employees.

Department management stated based on the need to manually compile the listings, the noted exceptions were due to human error.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-003 Complete Populations Not Provided (Continued)

- While testing compliance for telecommunications, we requested the Department provide a population of active and returned cellular devices assigned to employees of the Department as of June 30, 2023, and June 30, 2024. Upon examining the populations provided, we identified inaccuracies with the populations provided related to removal dates. While reviewing the lists, the following was noted:
 - 11 phones were included on the Department listing that should not have been included in the removals population.
 - 21 phones were included on the Department listing that could not be concluded on whether the phones should have been included in the removals population or not.Department personnel stated the discrepancies were largely due to the transition of telecom duties from Department of Innovation and Technology (DoIT) to the Department.

Despite the population limitations above which hindered our ability to conclude whether the selected sample was representative of the population as a whole, we obtained the populations provided by the Department for each of the areas above, selected a sample, and tested for compliance. For the samples tested, we reported noncompliance for the following Findings 2024-005 for Exceptions in Testing Personnel and Finding 2024-008 Inadequate Controls over Agency Workforce Reports.

According to the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36), when using information produced by the entity, the practitioner should evaluate whether the information is sufficiently reliable for the practitioner's purposes, including, as necessary, obtaining evidence about the accuracy and completeness of the information, and evaluating whether the information is sufficiently precise and detailed for the practitioner's purposes.

The State Records Act (5 ILCS 160/8) requires the Director to make and preserve records containing adequate and proper documentation of the essential transactions of the Department to protect both the legal and financial rights of the State and of persons directly affected by the Department's activities.

The State Employment Records Act (5 ILCS 410/20) requires the Department to collect, classify, maintain, and report certain employment statistics for women, disabled, and minority groups. Annual reports summarizing the information in a prescribed format are required to be filed with the Secretary and the Governor by January 1 each year for the preceding fiscal year.

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

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2018. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

Failure to provide complete and adequate documentation impedes us in completing our procedures and providing useful and relevant feedback to the General Assembly regarding the Department's compliance for the above areas. Further, the Department is unable to demonstrate it has met each compliance requirement it is subject to when sufficient records are not maintained. (Finding Code No. 2024-003, 2022-004, 2020-003, 2018-005)

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-003 Complete Populations Not Provided (Continued)

Recommendation

We recommend the Department strengthen controls over the records maintained for each area in which a compliance requirement is present.

Department Response

The Department accepts the recommendation. We will implement controls and processes to mitigate future exceptions related to those listed above. Controls and processes will include clarifying information provided in populations with a source document defining the reports' parameters and descriptors for our report data.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-004 Inadequate Controls over Contingency Planning

The Illinois Department of Revenue (Department) did not ensure adequate recovery plans were maintained.

As a result of the Department's role in maintaining and collecting tax and other information, the Department maintains computer systems that contain large volumes of confidential or personal information such as names, addresses, and Social Security numbers, etc. In order to meet its mission, the Department utilizes a myriad of applications.

During the examination of the Department's contingency program and practices for its in-house systems and applications, we noted the Plan:

- Was limited in scope and did not contain comprehensive recovery strategies.
- Did not document Recovery Point Objectives (RPO) and Recovery Time Objectives (RTO).
- Did not contain detailed recovery procedures.

In addition, while a disaster recovery replication effort was completed during the audit period, management did not perform a comprehensive recovery test to validate the Department's ability to recover critical business operations and restore production data after an event.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that property and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

In addition, the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Contingency Planning section, calls for developing and documenting an up-to-date business continuity plan and testing the plan.

Department management stated there were internal control processes in place for data recovery plans but were not formalized.

Inadequate contingency plans could result in the Department being unable to ensure its critical systems are recovered within an acceptable period and minimize the impact associated with a disaster. (Finding Code No. 2024-004, 2022-017)

Recommendation

We recommend the Department review and update its Plan at least annually or after recovery testing. Further, we recommend the Department update the Plan to document:

- Comprehensive recovery strategies
- RPOs and RTOs
- Detailed recovery procedures

Finally, we recommend the Department conduct a business impact analysis, an annual recovery test, and maintain documentation of recovery test results or lessons learned.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-004 Inadequate Controls over Contingency Planning (Continued)

Department Response

The Department accepts the recommendation. We will work to review and update the plan to ensure it contains the elements above. Further, we will work with our service provider to conduct a business impact analysis and an annual recovery test. Any related documentation will be retained.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-005 Exceptions in Testing Personnel

The Illinois Department of Revenue (Department) did not have adequate internal control over the administration of its personnel functions.

Although we were unable to obtain a complete population of Department employees who were hired, employees who had separated employment from the Department, and active employees as of the last payroll period for Fiscal Years 2023 and 2024 (see Finding 2024-003), we performed testing on information provided which resulted in the following exceptions:

Personnel File Testing

We sampled 40 employees which were required to have had 75 performance evaluations performed during the examination period. Of the 40 personnel files tested, we noted the following:

- For one of 40 (3%) employees, a completed U.S. Citizenship and Immigration Services (USCIS) I-9 Employment Eligibility Verification Form was missing from the employee's personnel folder and could not be located by the Department.
- For 12 of 13 (92%) required performance evaluations, the performance evaluation was not completed in a timely manner. Evaluations were completed between 4 and 41 days late.
- For one of 62 (2%) required performance evaluations, the Department was not able to support the employee's date of signature on the performance evaluation.

USCIS instructions for I-9s require Section 1 to be completed no later than the first day of employment. After completing Section 1, the employee is to sign their name and document the date signed. Employers are to examine the evidence of identity and employment authorization within three business days of the employee's first day of employment. The employer is required to document the hire date and their signature date of their review in Section 2 of the I-9 form. The employer is also required to retain each employee's completed Form I-9 as long as the individual works for the employer and for a specified period after employment has ended.

The Illinois Administrative Code (80 Ill. Admin. Code 302.270) and the Department's Employee Handbook require an evaluation of employee performance to be prepared by the Department not less often than annually. Annual evaluations support administrative personnel decisions by documenting regular performance measures. Four-month probationary periods shall have an evaluation submitted three-and one-half months after the commencement of the probationary period.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the essential transactions of the Department to protect both the legal and financial rights of the State and of people directly affected by the Department's activities.

The Agreement between State of Illinois Department of Central Management Services and American Federation of State, County and Municipal Employees Council 31 requires that annual evaluations be completed within 4 months of period end. Additionally, it states that probationary evaluations must be completed two weeks before period end.

Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024

Current Findings

Finding 2024-005 Exceptions in Testing Personnel (Continued)

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

Timesheet Testing

During testing, we noted for one of 40 (3%) employees, the Request for Leave was submitted 13 days late.

The Department's Employee Handbook, Administrative Directive 1.7, requires a request for leave to be submitted in E-Time by the employee and approved by the employee's Program Administrator or their designee. If the absence is one that can be scheduled in advance, the request must be completed and approved by the Program Administrator or their designee before the absence occurs. If the absence cannot be scheduled in advance, the employee is responsible for submitting the request within 2 days of the return to work.

Fringe Benefits

During testing, we noted 2 of 9 (22%) employees did not timely sign and submit their insurance liability certifications.

The Illinois Vehicle Code (625 ILCS 5/7-601(c)) requires an employee who is assigned a specific vehicle owned or leased by the State on an ongoing basis to provide annual certification to the director or chief executive officer of his or her agency. The certification affirms that the employee is duly licensed to drive the assigned vehicle and that (i) the employee has liability insurance coverage extending to the employee when the assigned vehicle is used for other than official State business, or (ii) the employee has filed a bond with the Secretary of State as proof of financial responsibility, in amount equal to, or in excess of the requirements stated within this Section. 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 on an ongoing basis, whichever is later.

Department personnel stated the errors were due to oversight, human error and turnover in personnel. Department personnel stated that due to changes in personnel in the Fleet Office, the OSD-100 Certification of License and Auto Insurance Liability Coverage was sent out but follow up on the missing forms was not done until after the required period.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2007. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

Failure to complete and retain I-9 forms can result in unauthorized hires to the Department. In addition, this represents noncompliance with USCIS requirements. Failure to timely approve leave requests represents noncompliance with the Department's employee Handbook. Failure to timely sign and submit insurance liability certifications can lead to legal ramifications for the Department and noncompliance with the Illinois Vehicle Code.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-005 Exceptions in Testing Personnel (Continued)

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Late or the lack of performance evaluations could hinder the basis for the Department's salary adjustments, promotion, demotion, discharges, layoffs, recalls, and reinstatement decisions. (Finding Code No. 2024-005, 2022-008, 2020-008, 2018-007, 2016-007, 2014-010, 12-17, 10-36, 09-18, 08-13, 07-07)

Recommendation

We recommend the Department comply with current processes and procedures regarding the maintenance of personnel files, completion of Forms I-9s, and completion of performance evaluations. In addition, we recommend the Department ensure requests for leave are properly submitted and employees timely complete insurance liability certifications.

Department Response

The Department accepts the recommendation. We will implement controls and processes to mitigate future exceptions related to those listed above. We will evaluate controls and processes including clarifying administrative directives and procedures, as well as increased communication to staff and supervisors.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-006 Inadequate Controls over Processing and Recording of State Property and Equipment

The Illinois Department of Revenue (Department) did not have adequate internal control over the processing and recording of State property and equipment.

Deletions:

During testing of equipment deletions, we noted the following:

- 7 of 7 (100%) Electronic Data Processing removals did not have documentation to support the erasure of data prior to re-use or disposal.

The State Property Control Act (30 ILCS 605/4) requires the Department to be accountable to the Department of Central Management Services (DCMS) for the supervision, control, and inventory of all property under its jurisdiction.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.310(d)) states all deletions from agency property records must be approved by the Department of Central Management Services (DCMS) prior to completing the transaction.

The Personal Information Protection Act (815 ILCS 530/40) requires the Department to ensure confidential and personal information was protected from disclosure.

The Data Security on State Computers Act (20 ILCS 450/20) requires the Department to implement and administer the provisions of this Act with respect to State-owned electronic data processing equipment utilized by the Department.

Additions:

During testing of equipment additions, we noted the following:

- 1 of 40 (3%) equipment additions tested were input into the system more than 90 days after being received. The equipment item was added 64 days late.
- 2 of 40 (5%) equipment additions tested were entered twice in the system under one asset.
- 12 of 40 (30%) equipment additions tested were recorded net of trade-in values.

The State Property Control Act (30 ILCS 605/4) requires the Department to be accountable to DCMS for the supervision, control, and inventory of all property under its jurisdiction.

The Code (44 Ill. Admin. Code 5010.400) requires the Department to adjust its property records within 90 days after acquisition, change, or deletion of equipment.

The Code (44 Ill. Admin. Code 5010.240(e)(1)) requires the Department to report the purchase price of the equipment inventoried. Per the Code (44 Ill. Admin. Code 5010.240(e)(2)), if equipment is acquired by trade-in, the value of any items traded in shall not be used to reduce the purchase price.

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

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-006 Inadequate Controls over Processing and Recording of State Property and Equipment (Continued)

Physical Observation of Equipment:

During the physical observation of equipment, we noted the following:

- 1 of 25 (4%) assets selected from the floor had the incorrect location in the equipment listing.

The State Property Control Act (30 ILCS 605/4) requires the Department to be accountable to DCMS for the supervision, control, and inventory of all property under its jurisdiction. In addition, the Code (44 Ill. Admin. Code 5010.400) requires the Department to adjust its property records within 90 days after acquisition, change, or deletion of equipment.

Voucher Testing:

During testing, we noted for one of 35 (3%) vouchers tested, totaling \$18,382, there was no State Property Surplus – New Furniture Affidavit filed with the Director of the Department of Central Management Services prior to the purchase of new furniture of \$1,500 or more.

The State Property Control Act (30 ILCS 605/7a) requires all State agencies that desire to purchase new furniture check with the Department of Central Management Services if any surplus furniture under their control can be used in place of new furniture. If the agency finds it is unable to use the surplus property, the agency may process with the purchase of new furniture.

Department personnel stated while EDP items are the responsibility of Department of Innovation and Technology (DoIT) to wipe, the Department did not maintain a log to show data had been erased prior to removal or disposal. Department personnel stated errors in the property records for additions and location were due to employee oversight. The vouching testing errors were due to a lack of oversight by the program area.

This finding was first reported in the Department's *State Compliance Examination* for the two years ended June 30, 2018. In subsequent years, the Department has been unsuccessful in implementing an adequate corrective action plan.

Internal control deficiencies over property reporting and recordkeeping diminish the accurate reporting and reliability of State asset information, increase the potential for theft or misappropriation of assets, and represents noncompliance with State regulations. (Finding Code No. 2024-006, 2022-009, 2020-009, 2018-010)

Recommendation

We recommend the Department strengthen its internal controls to ensure Department staff are complying with current policies and procedures regarding the tracking and monitoring of property and equipment.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-006 Inadequate Controls over Processing and Recording of State Property and Equipment (Continued)

Department Response

The Department accepts the recommendation. We have implemented changes related to the controls over the deletion of data from EDP removals to ensure documentation is retained. In addition, we will review our procedures related to additions and voucher processing to ensure we are consistently tracking and processing property and equipment.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-007 Failure to Demonstrate Restricted Access was Adequately Maintained

The Illinois Department of Revenue (Department) did not have adequate internal controls in place over access to restricted areas.

During the testing of restricted area access, the Department was unable to provide us sufficient evidence demonstrating employees' restricted access was appropriate. Specifically, we noted the following:

- 9 of 25 (36%) employees sampled for user access, the Department could not provide the completed ID-85 form documenting the employee's approval for access to the restricted area.
- 14 of 22 (64%) employees sampled for user revocation, the Department could not provide the completed ID-85 or a IDR-951 form documenting the employee's request for user access revocation.

The State Records Act (5 ILCS 160/8) requires the Director to make and preserve records containing adequate and proper documentation of the essential transactions of the Department to protect both the legal and financial rights of the State and of persons directly affected by the Department's activities.

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 revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Per Department policy, employees, contracts, and vendors, are required to be approved and have their access rights supported by a completed form ID-85. This form is required to be completed by the Department's Disclosure Officer and the Department's Internal Affairs before being emailed to the Department of Information and Technology (DoIT) granting access to restricted areas.

Department management indicated the errors noted for granting and removing access to restricted areas were a result of miscommunication between the Department and DoIT personnel.

Failure to provide complete and adequate documentation impedes us in completing our procedures and providing useful and relevant feedback to the General Assembly regarding the Department's compliance. Furthermore, the Department is unable to demonstrate it has met each compliance requirement it is subject to when sufficient records are not maintained which may result in unauthorized individuals accessing restricted areas. (Finding Code No. 2024-007, 2022-012)

Recommendation

We recommend the Department strengthen its internal controls over access to restricted areas.

Department Response

The Department accepts the recommendation. We have updated our procedures to ensure the appropriate documentation is retained. In addition, we have updated the form to include a section for revocation of access.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-008 Inadequate Controls over Agency Workforce Reports

The Illinois Department of Revenue (Department) did not have adequate internal controls over its preparation and submission of Agency Workforce Reports (Report).

Although we were unable to determine if the Reports filed were complete and accurate during the examination period (see Finding 2024-003), we performed detailed testing over the Reports.

The results of our testing indicated the following exceptions:

- Two of 2 (100%) reports did not contain the required percentages for the various categories.
- Two of 2 (100%) reports contained multiple errors in the preparation and calculation for amounts presented.

The State Employment Records Act (Act) (5 ILCS 410/5) requires the Department to collect, classify, maintain, and report certain employment statistics for women, disabled, and minority groups. The Act (5 ILCS 410/20) requires the Reports to be filed with the Secretary of State and the Governor by January 1 each year for the preceding fiscal year.

Department management indicated the errors were due to human error, turnover in personnel, and a lack of oversight by the applicable program area.

Failure to include complete and accurate information in the Department's Reports and submit reports timely could deter efforts by State officials, administrators, and residents to achieve a more diversified State workforce. (Finding Code No. 2024-008, 2022-013)

Recommendation

We recommend the Department implement internal controls over Agency Workforce Reports to ensure they are complete, accurate, and timely filed with the Secretary of State and the Office of the Governor. In addition, we recommend the Department file a corrected Fiscal Year 2022 and 2023 Agency Workforce Report in accordance with the Illinois State Auditing Act (30 ILCS 5/3-2.2(b)).

Department Response

The Department accepts the recommendation. We will update written procedures to ensure all required elements are present in the report and additional controls are implemented to ensure it is complete and accurate prior to submission. Lastly, we will file corrected reports for Fiscal Years 2022 and 2023.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-009 Weakness in Cybersecurity Programs and Practices

The Illinois Department of Revenue (Department) had weaknesses related to cybersecurity programs and practices.

As a result of the Department's role in maintaining and collecting tax and other information, the Department maintains computer systems that contain large volumes of confidential or personal information such as names, addresses, and Social Security numbers, etc.

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 the examination of the Department's cybersecurity program and practices, we noted the following:

- The Department had not completed a comprehensive risk assessment.
- While an Information Security Policy (ISP) is in place, the ISP only describes procedures for reporting security incidents and weaknesses, and learning from incidents, but the ISP or other department documentation is not available to describe what the actions taken after an incident is reported.
- 3 of 6 (50%) of applications utilized by the Department did not have documentation supporting an annual review of user access rights.

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 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.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department 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 management indicated the comprehensive risk assessment was not formalized as well as the lack of a comprehensive Information Security Policy and annual review of user access rights documentation for its applications was due to the Department relying on DoIT's policies and procedures.

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 cyberattacks and unauthorized disclosure. (Finding Code No. 2024-009, 2022-006, 2020-005)

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Current Findings

Finding 2024-009 Weakness in Cybersecurity Programs and Practices (Continued)

Recommendation

We recommend the Department:

- Develop a comprehensive risk assessment
- Maintain documentation to describe what the actions taken after an incident is reported in its Information Security Policy.
- Maintain documentation for supporting an annual review of user access rights for its applications.

Department Response

The Department accepts the recommendation. We will work to develop a comprehensive risk assessment and will develop procedures to ensure any action taken after an incident is reported is documented. Lastly, we are expanding the program area responsible for ensuring the annual review of user access rights which will aid in ensuring timely reviews are completed.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024**

Prior Findings Not Repeated

A. Weaknesses in Internal Controls over Reporting Federal Operating Grants

During the prior engagement, the Department of Revenue (Department) did not properly reflect the reporting for federal operating grant activity in the financial statements.

During the current engagement, we noted the Department was able to work with the Illinois State Comptroller to properly reflect the reporting for federal operating grant activity in the financial statements. As a result, this finding is not repeated. (Finding Code No. 2022-001)

B. Inadequate Controls over Service Providers

During the prior engagement, the Department had not implemented adequate controls over its service providers.

During the current engagement, we noted the Department implemented control policies to track, monitor and analyze service providers and the control processes in place at their service providers. Current year testing procedures over the Department's processes and controls to evaluate their service providers yielded no significant issues. (Finding Code No. 2023-001, 2022-003)

C. Inadequate Controls over the Cigarette Tax Act

During the prior engagement, the Department did not prepare or publish reports of summary statistical information relating to license or permit applications of cigarette retailers as required by the Cigarette Tax Act.

During the current engagement, we performed testing over the filing and publication of the reports and determined the Department had published the required report timely. (Finding Code No. 2022-005)

D. Inadequate Controls over Consolidated Agency Issues

During the prior engagement, the Department did not have adequate internal control to promote the security, processing, integrity, availability and confidentiality of its applications and data.

During the current engagement, we noted the Department implemented formal processes for reviewing the Department of Innovation and Technology's environment to ensure compliance with external legal and regulatory requirements. (Finding Code No. 2022-007)

E. Inadequate Controls over Contracts

During the prior engagement, the Department did not have sufficient internal controls in place over its processing of contracts to ensure Contract Obligation Documents (C-23 Form) were being properly completed.

During the current engagement, we performed testing over C-23s completed by the Department for new contracts entered into during Fiscal Years 2023 and 2024, and determined the C-23s were properly completed. (Finding Code No. 2022-010)

Schedule of Findings (Continued)
For the Two Years Ended June 30, 2024

Prior Findings Not Repeated (Continued)

F. Inadequate Controls over the Cancellation of Telecommunication Devices

During the prior engagement, the Department did not have adequate internal controls over the cancellation of portable telecommunication devices.

During the current engagement, we performed testing over the return of telecommunication devices and determined devices were returned in a timely manner in the event of separation or an upgrade. (Finding Code No. 2022-011)

G. Inadequate Controls over the Application Process of Qualifying Water Treatment Facilities

During the prior engagement, the Department did not maintain adequate internal controls over the application process of qualifying water treatment facilities.

During the current engagement, we performed testing over applications for qualifying treatment facilities. We determined applications were properly completed and certified. (Finding Code No. 2022-014)

H. Inadequate Controls over Security and Control of Remote Access

During the prior engagement, the Department did not have adequate internal controls over remote access to its environment, applications and data.

During the current engagement, evidence was provided to support that security measures are taken to secure remote access to computer resources. (Finding Code 2022-015)

I. Voucher Processing Weaknesses

During the prior engagement, the Department did not have adequate internal control over the processing, approval, and timely payment of vouchers.

During the current engagement, we selected a sample of vouchers processed by the Department and determined all vouchers were properly approved and paid timely. (Finding Code No. 2022-016)

J. Inadequate Controls over the Security and Control of Confidential Information (SCCI)

During the prior engagement, the Department did not have adequate internal control over the security of its confidential information.

During the current engagement, we determined the Department had documented breach procedures, installed encryption on Information Technology assets with confidential information and maintained documentation to support the installation, and included biometric information as part of personnel information. (Finding Code No. 2022-018)