



STATE OF ILLINOIS  
**OFFICE OF THE  
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**OFFICE OF COMPTROLLER  
 FISCAL OFFICER RESPONSIBILITIES**

**Compliance Examination  
 For the Year Ended June 30, 2022**

**Release Date: March 23, 2023**

FINDINGS THIS AUDIT: 6	New	Repeat	Total	AGING SCHEDULE OF REPEATED FINDINGS			
				Repeated Since	Category 1	Category 2	Category 3
<b>Category 1:</b>	<b>1</b>	<b>1</b>	<b>2</b>	2009	<b>22-1</b>		
<b>Category 2:</b>	<b>4</b>	<b>0</b>	<b>4</b>				
<b>Category 3:</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>TOTAL</b>	<b>5</b>	<b>1</b>	<b>6</b>				
<b>FINDINGS LAST AUDIT: 1</b>							

**INTRODUCTION**

This digest covers the Office of Comptroller’s (Office) Fiscal Officer Responsibilities Compliance Examination for the year ended June 30, 2022. The Office’s Fiscal Officer Responsibilities Financial Audit as of and for the year ended June 30, 2022 was previously released on December 21, 2022. In total, this report contains six findings, two of which were also reported in the Financial Audit.

**SYNOPSIS**

- (22-06) The Office had not implemented adequate controls over its service providers.

**Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).  
**Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.  
**Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER SERVICE PROVIDERS**

The Office of Comptroller (Office) had not implemented adequate controls over its service providers.

We requested the Office provide the population of service providers utilized during the examination period to determine if the Office had reviewed the internal controls of its service providers. In response to our request, the Office provided a listing; however, the Office did not provide documentation demonstrating the listing was complete and accurate.

**Office's service provider population was incomplete**

Due to these conditions, we were unable to conclude the Office's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36).

Even given the population limitations noted above, we performed testing over three of six service providers identified by the Office. The Office utilized service providers for hosting services and software as a service. Our testing noted the Office had not:

**Did not obtain SOC reports**

- Obtained System and Organization Control (SOC) reports or conducted independent internal control reviews for the three service providers.

**Did not monitor CUECs**

- Conducted an analysis to determine the impact of noted deviations within the SOC report.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) related to the Office's operations.

**Did not monitor service providers**

- Obtained and reviewed SOC reports for subservice providers or perform alternative procedures to determine the impact on its internal control environment.
- Developed or implemented procedures for monitoring service providers.

**Contracts did not have requirements for independent reviews of service providers**

We also noted the service providers' contracts did not contain requirements for independent reviews to be conducted. (Finding 6, pages 21-22)

We recommended the Office strengthen its controls in identifying and documenting all service providers utilized. Further, we recommend the Office:

- Obtain SOC reports or conduct independent internal control reviews.
- Conduct an analysis to determine the impact of noted deviations within the SOC report.
- Monitor and document the operation of the CUECs related to the Office's operations.
- Obtain and review SOC reports for subservice providers or perform alternative procedures to determine the impact on its internal control environment.
- Develop and implement procedures for monitoring service providers.
- Ensure the service providers' contract contain requirements for independent reviews to be conducted.

**Office agreed with the recommendation**

The Office agreed with the recommendations and stated the Office was developing a process and formalizing procedures to identify, obtain, and document review of service organizations.

**OTHER FINDINGS**

The remaining findings pertain to the Office's late payment of statutorily mandated transfers, failure to implement adequate Information Technology controls, inadequate controls over remote access, inadequate disaster recovery planning, and weaknesses in cybersecurity programs and practices. We will review the Office's progress towards the implementation of our recommendations in our next compliance examination.

**ACCOUNTANT'S OPINION**

The accountants conducted a compliance examination of the Office of Comptroller, Fiscal Officer Responsibilities for the year ended June 30, 2022, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2022-001 and 2022-002. Except for the noncompliance described in these findings, the accountants stated the Office of Comptroller, Fiscal Officer Responsibilities, complied in all material respects with the requirements described in the report.

This compliance examination was conducted by Sikich LLP.

**SIGNED ORIGINAL ON FILE**

---

JANE CLARK  
Division Director

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

**SIGNED ORIGINAL ON FILE**

---

FRANK J. MAUTINO  
Auditor General

FJM:vrh