

State of Illinois
DEPARTMENT OF
NATURAL RESOURCES

STATE COMPLIANCE
EXAMINATION

FOR THE TWO YEARS ENDED
JUNE 30, 2022

PERFORMED AS SPECIAL
ASSISTANT AUDITORS FOR THE
AUDITOR GENERAL,
STATE OF ILLINOIS

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

TABLE OF CONTENTS

<i>State Compliance Examination Report</i>	<u>Page</u>
Department Officials	1
Management Assertion Letter	2
State Compliance Report	
Summary	4
Independent Accountant’s Report on State Compliance and on Internal Control over Compliance	10
Schedule of Findings	
Current Findings	14
Prior Findings Not Repeated	95

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

DEPARTMENT OFFICIALS

Director (01/23/23 - Present)	Natalie Phelps Finnie
Director (01/17/23 - 01/22/23)	Vacant
Director (07/01/20 - 01/16/23)	Colleen Callahan
Assistant Director	John Rogner
Deputy Director - Land Management and Realty Capital Planning (05/01/23 - Present)	David Palmer
Deputy Director - Mines and Minerals, Oil and Gas, and Strategic Services (05/01/23 - Present)	Toby Trimmer
Deputy Director (01/23/23 - 04/30/23)	Vacant
Deputy Director (08/02/21 - 01/22/23)	Natalie Phelps-Finnie
Deputy Director (07/01/20 - 08/01/21)	Rachel Torbert
Chief of Staff (03/01/23 - Present)	John Teefey
Chief of Staff (02/16/23 - 02/28/23)	Vacant
Chief of Staff (07/01/20 - 02/15/23)	Kristin DiCenso
General Counsel/Legal	Renee Snow
Acting Chief Fiscal Officer (05/01/23 - Present)	Robert Todd Miller
Chief Fiscal Officer (05/01/23 - Present)	Vacant
Chief Fiscal Officer (09/01/21 - 04/30/23)	Meta Darnell
Chief Fiscal Officer (08/16/21 - 08/31/21)	Kristina Shelton
Chief Fiscal Officer (07/01/20 - 08/15/21)	Brad Colantino
Chief Information Officer (09/01/21 - Present)	Russ Kemple
Chief Information Officer (04/01/21 - 08/31/21)	Vacant
Chief Information Officer (07/01/20 - 03/31/21)	Steve Washko
Chief Internal Auditor	Jeff Beals
GAAP Coordinator	Rebecca Wilson

The Department of Natural Resources' primary administrative office is located at:

Joel D. Brunsvold Building
One Natural Resources Way
Springfield, Illinois 62702-1271



MANAGEMENT ASSERTION LETTER

June 5, 2023

Roth & Company, LLP
Certified Public Accountants
815 W. Van Buren Street, Suite 500
Chicago, Illinois 60607

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, Department of Natural Resources. 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 State of Illinois, Department of Natural Resources' compliance with the following specified requirements during the two-year period ended June 30, 2022. Based on this evaluation, we assert that during the years ended June 30, 2021, and June 30, 2022, the State of Illinois, Department of Natural Resources has materially complied with the specified requirements listed below.

- A. The State of Illinois, Department of Natural Resources 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. Other than what has been previously disclosed and reported in the Schedule of Findings, the State of Illinois, Department of Natural Resources 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 State of Illinois, Department of Natural Resources has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. Other than what has been previously disclosed and reported in the Schedule of Findings, the State revenues and receipts collected by the State of Illinois, Department of Natural Resources 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. Other than what has been previously disclosed and reported in the Schedule of Findings, money or negotiable securities or similar assets handled by the State of Illinois, Department of Natural Resources on behalf of the State or held in trust by the State of Illinois, Department of Natural Resources 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, Department of Natural Resources

SIGNED ORIGINAL ON FILE

Natalie Phelps Finnie, Director

SIGNED ORIGINAL ON FILE

Robert Todd Miller, Acting Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Renee Snow, General Counsel/Legal

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

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, but does contain an adverse opinion on compliance and identifies material weaknesses in internal control over compliance.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
<u>Findings</u>	<u>Report</u>	<u>Report</u>
Findings	37	30
Repeated Findings	27	22
Prior Recommendations Implemented or Not Repeated	3	1

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First</u> <u>Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2022-001	14	2020/2014	Inadequate Controls over Accounts Receivable	Material Weakness and Material Noncompliance
2022-002	19	2020/2018	Inadequate Controls over Historical Artifacts	Material Weakness and Material Noncompliance
2022-003	21	2020/2016	Inadequate Controls over Preparation of Monthly Reconciliations	Material Weakness and Material Noncompliance

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

SCHEDULE OF FINDINGS - Continued

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings - Continued				
2022-004	23	2020/2020	Inadequate Controls over the World Shooting and Recreational Complex's Operations	Material Weakness and Material Noncompliance
2022-005	26	2020/2018	Inadequate Controls over Contractual Agreements and Obligations	Material Weakness and Material Noncompliance
2022-006	29	2020/2014	Voucher Processing Internal Controls Not Operating Effectively	Material Weakness and Material Noncompliance
2022-007	31	2020/2018	Inadequate Internal Controls over Petty Cash	Material Weakness and Material Noncompliance
2022-008	34	2020/2012	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2022-009	38	New	Inadequate Controls over Census Data	Significant Deficiency and Noncompliance
2022-010	40	New	Failure to Fully Utilize the State's Enterprise Resource Planning System	Significant Deficiency and Noncompliance
2022-011	42	2020/2014	Internal Audit Deficiencies	Significant Deficiency and Noncompliance
2022-012	44	New	Inadequate Administration and Monitoring of State Awards and Grants	Significant Deficiency and Noncompliance
2022-013	46	New	Inadequate Controls over Systems Development and Change and Change Management	Material Weakness and Material Noncompliance

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

SCHEDULE OF FINDINGS - Continued

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings - Continued				
2022-014	47	New	Inadequate Controls over Service Providers	Material Weakness and Material Noncompliance
2022-015	49	2020/2020	Weaknesses over Computer Security	Material Weakness and Material Noncompliance
2022-016	51	2020/2014	Property Control Weaknesses	Significant Deficiency and Noncompliance
2022-017	53	2020/2018	Failure to Comply with the Illinois State Agency Historic Resources Preservation Act	Significant Deficiency and Noncompliance
2022-018	55	2020/2012	Noncompliance with Mandated Duties	Significant Deficiency and Noncompliance
2022-019	58	2020/2006	Failure to Enforce Concessionaire Lease Agreements	Significant Deficiency and Noncompliance
2022-020	61	2020/2020	Failure to Update the Department Policy and Procedures Manual	Significant Deficiency and Noncompliance
2022-021	62	2020/2020	Inadequate Controls over Employee Payroll, Timekeeping, and Long-Term Leave of Absences	Significant Deficiency and Noncompliance
2022-022	64	2020/2016	Inadequate Control over Receipts	Significant Deficiency and Noncompliance
2022-023	66	2020/2018	Failure to Comply with the Historical Sites Listing Act	Significant Deficiency and Noncompliance

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

SCHEDULE OF FINDINGS - Continued

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings - Continued				
2022-024	68	2020/2018	Inadequate Controls over Bank Reconciliations	Significant Deficiency and Noncompliance
2022-025	70	New	Inadequate Controls over Vehicles	Significant Deficiency and Noncompliance
2022-026	73	2020/2018	Inadequate Controls over Investment of Public Funds	Significant Deficiency and Noncompliance
2022-027	75	2020/2010	Inadequate Controls over Fuel Reconciliations	Significant Deficiency and Noncompliance
2022-028	77	2020/2014	Inadequate Controls over Overtime	Significant Deficiency and Noncompliance
2022-029	79	2020/2020	Inadequate Controls over Employee Performance Evaluations	Significant Deficiency and Noncompliance
2022-030	81	2020/2012	Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems	Significant Deficiency and Noncompliance
2022-031	83	2020/2016	Weaknesses with Payment Card Industry Data Security Standards	Significant Deficiency and Noncompliance
2022-032	85	2020/2014	Failure to Issue Off-Highway Vehicle Usage Stamps	Significant Deficiency and Noncompliance

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

SCHEDULE OF FINDINGS - Continued

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings - Continued				
2022-033	86	New	Inadequate Controls over Telecommunications	Significant Deficiency and Noncompliance
2022-034	88	New	Failure to Comply with the Department of Natural Resources Conservation Law	Significant Deficiency and Noncompliance
2022-035	89	New	Failure to Comply with the Department of Natural Resources Act	Significant Deficiency and Noncompliance
2022-036	91	New	Failure to Review and Update a Comprehensive Energy Plan	Significant Deficiency and Noncompliance
2022-037	93	2020/2020	Required Reports Not Properly and Timely Completed	Significant Deficiency and Noncompliance

Prior Findings Not Repeated

A	95	2020/2020	Inadequate Control over Capital Assets
B	95	2020/2016	Inaccurate and Incomplete Agency Workforce Reports
C	95	2020/2020	Noncompliance with the Non-Game Wildlife Protection Act

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

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with the Department personnel at an exit conference on June 5, 2023.

Attending were:

Department of Natural Resources

Nathalie Phelps-Finnie, Director
Toby Trimmer, Deputy Director
Robert Todd Miller, Acting Chief Fiscal Officer
Jeff Beals, Chief Internal Auditor
Rebecca Wilson, GAAP Coordinator

Office of the Auditor General

Kathy Lovejoy, Principal of IS Audits
Reddy Bommareddi, Senior Audit Manager

Roth & Company, LLP

Marites Sy, Partner
Dandred Solano, Manager
Erica Liza Armodoval, Supervisor

The responses to the recommendations were provided by Rebecca Wilson, GAAP Coordinator, in a correspondence dated June 5, 2023.



INDEPENDENT ACCOUNTANT'S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Department of Natural Resources (Department) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2022. Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our 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 the engagement.

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

Our examination disclosed material noncompliance with the specified requirements during the two years ended June 30, 2022. As described in items 2022-001 through 2022-037 in the accompanying Schedule of Findings, the Department did not comply with the specified requirements. Items 2022-001 through 2022-007 and 2022-2013 through 2022-015 are each considered to represent material noncompliance with the specified requirements.

Specified Requirement B

As described in the accompanying Schedule of Findings as items 2022-001 through 2022-007 and 2022-013 through 2022-015, the Department had not 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.

Specified Requirement C

As described in the accompanying Schedule of Findings as items 2022-001 through 2022-007 and 2022-013 through 2022-015, 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.

Specified Requirement D

As described in the accompanying Schedule of Findings as item 2022-001, the Department had not ensured the State revenues and receipts collected by the Department were in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts was fair, accurate, and in accordance with law.

Specified Requirement E

As described in the accompanying Schedule of Findings as items 2022-001 and 2022-007, money or negotiable securities or similar asset 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.

Items 2022-008 through 2022-012 and 2022-016 through 2022-037 individually would have been regarded as significant noncompliance with the specified requirements; however, when aggregated, we determined these items constitute material noncompliance with the specified requirements.

In our opinion, because of the significance and pervasiveness of the material noncompliance from the specified requirements described in the preceding paragraph, the Department did not comply with the specified requirements during the two years ended June 30, 2022, in all material respects.

The Department's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Department's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

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

Report on Internal Control Over Compliance

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements and to test and report on the Department's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department 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 have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be 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 a 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 2022-001 through 2022-007 and 2022-013 through 2022-015, 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, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2022-008 through 2022-012 and 2022-016 through 2022-037 to be significant deficiencies.

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

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

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

SIGNED ORIGINAL ON FILE

Chicago, Illinois
June 5, 2023

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

2022-001. **FINDING** (Inadequate Controls over Accounts Receivable)

The Department of Natural Resources (Department) did not exercise adequate internal controls over its reporting and maintenance of accounts receivable.

We performed detailed testing of accounts receivable including the *Quarterly Summary of Accounts Receivable – Accounts Receivable Activity* (Form C-97) and *Quarterly Summary of Accounts Receivable – Aging of Total Gross Receivables* (Form C-98). During our testing, we noted the following weaknesses:

Accounting System and Process Deficiencies

- The Department did not maintain a detailed accounts receivable subsidiary ledger to support the quarterly accounts receivable additions reported on the Form C-97s. Rather, the Department took the amount collected during the quarter, subtracted the beginning quarterly receivable balance, and added the ending quarterly gross receivable balance to calculate the accounts receivable additions for the quarter.
- During the compilation of Forms C-97 and C-98, the Department did not review and verify the accuracy of accounts receivable reported by the Department's in-charge of each fund.

The Statewide Accounting Management System (SAMS) Chapter 26 and the Illinois State Collection Act of 1986 (30 ILCS 210 et seq.) establish guidelines for the Department to follow in the development and implementation of a system for accounting and managing accounts receivable. Also, SAMS (Procedure 26.10.10) requires the Department to develop its internal procedures for implementing an accounts receivable system.

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 revenues and resources 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. Good internal controls require due care be used in preparing the accounts receivable reports submitted to the Office of Comptroller to ensure information used to complete the forms is accurate and reliable. Further, good internal controls over reporting include having a process to verify transactions prior to posting amounts into an accounting system.

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

2022-001. **FINDING** (Inadequate Controls over Accounts Receivable) - Continued

Inadequate Documentation for Accounts Receivable Balances

- The Department was unable to provide support for accounts written-off, totaling \$22,000, and transferred out, totaling \$5,000, for Funds 040, 137, and 261 during Fiscal Year 2021.
- For Fund 039, the Department was unable to provide support for amounts reported on the Form C-98 for the fourth quarter of Fiscal Years 2021 and 2022. The unsupported amounts noted were for the categories of “1-30 days”, “31-90 days”, “91-180 days”, “181-1 year” and “Over 1 year” and ranged from \$88 to \$3,322.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State.

Inadequate Processing of Old Accounts Receivable

- The Department did not report accounts receivable balances “due over one year” as uncollectibles on the Form C-97 for Funds 040, 041, and 261 for the fourth quarter of Fiscal Years 2021 and 2022. The Department’s accounts receivable balances “due over one year” for Funds 040, 041 and 261 ranged from \$33,941 to \$2,493,050.
- The Department did not make sufficient attempts to either collect its aged accounts receivable or write off uncollectible accounts receivable greater than one year old. As of June 30, 2022, outstanding receivables aged more than a year totaled \$2,085,128, \$2,493,050, \$123,374, and \$202,398 for Funds 137, 261, 884, and 962, respectively.

Further, we noted these balances were aged more than one year, in some cases, were as old as Fiscal Year 1992.

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

2022-001. **FINDING** (Inadequate Controls over Accounts Receivable) – Continued

The Illinois State Collection Act of 1986 (30 ILCS 210/3) requires the Department to aggressively pursue the collection of accounts or claims due to the State of Illinois through all reasonable means. Further, SAMS (Procedure 26.40.10) requires the Department to individually pursue all reasonable and appropriate procedures available to effectuate collection.

Additionally, in accordance with generally accepted accounting principles, accounts receivable balances that are uncollectible should be written off and removed from the Department’s reporting process. The Uncollected State Claims Act (30 ILCS 205/2(a)) requires the Department, if it is unable to collect any claim or account receivable of \$1,000 or more after taking all reasonable efforts to collect the debt, request the Attorney General to certify the claim or account receivable is uncollectible. Further, the Uncollected State Claims Act (30 ILCS 205/2(c)) allows the Department to certify any claim or account receivable of less than \$1,000 as uncollectible, after the Department determines the total collection cost expended or anticipated will exceed the amount of the claim reasonably expected to be collected as provided in the Office of Comptroller’s administrative rules (74 Ill. Admin. Code 320.70(b)).

Errors Noted on Individual Accounts

- One of 19 (5%) receivables selected for detailed testing, totaling \$53, did not agree with the supporting documents. Specifically, the accounts receivable balance was overstated by \$25 when compared to the supporting documents.
- For one of 19 (5%) receivables selected for detailed testing, totaling \$43, the Department could not provide support for the receivable.

SAMS (Procedure 26.20.10) requires the Department to maintain detailed information related to each receivable to support the recognition and tracking of receivables.

Accounts Receivable Not Reported

- The Department was the lessor in several real property rental agreements but did not track the timing of the rental payment due dates against related receipts to determine if receivables should be recorded and reported to the Office of Comptroller on its Fund 538 Form C-97. Total real property rental receipts reported by the Department for Fund 538 were \$112,755 and \$224,626 in Fiscal Year 2021 and Fiscal Year 2022, respectively. Potential receivable amounts could not be determined.

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

2022-001. **FINDING** (Inadequate Controls over Accounts Receivable) - Continued

SAMS (Procedure 26.20.10) requires receivables to be recognized if the transaction is complete to the extent that payment is the only unconsummated act, and the claim is measurable in terms of assignment of a monetary value established by State law and administrative regulations. SAMS (Procedure 26.30.10) requires State agencies to report receivables information on the Form C-97.

This finding was first reported in Fiscal Year 2014. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over accounts receivable.

Department personnel indicated, as they did in the prior year, the deficiencies noted were due to lack of staff and lack of training to allow employees to maximize the features of its new ERP system in accounting and monitor its accounts receivables.

Failure to establish and maintain accurate reporting procedures and controls over accounts receivable, including failure to maintain adequate supporting documentation for accounts receivable, increases the risk that the Department's receivable balances could be inaccurate and improperly valued and represents noncompliance with State laws and regulations. In addition, failure to timely pursue collections of outstanding accounts reduces the likelihood of successfully collecting balances due to the State. Moreover, failure to track and record accounts receivable shows a lack of accountability on the part of the Department and hinders its ability to monitor past due accounts and may result in loss of revenue. (Finding Code No. 2022-001, 2020-002, 2018-002, 2016-002, 2014-009)

RECOMMENDATION

We recommend the Department implement the necessary internal controls to ensure accounts receivable are adequately supported and are consistently and accurately reported to the Office of Comptroller. Also, we recommend the Department ensure accounts receivable are timely pursued for collection and, if not collectible, submitted for uncollectible certification and subsequently written off. Lastly, we recommend the Department review rental transactions to determine the amount of receivable to be reported quarterly and at the end of the year.

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

2022-001. **FINDING** (Inadequate Controls over Accounts Receivable) - Continued

DEPARTMENT RESPONSE

The Department agrees with the recommendation to implement the necessary internal controls to ensure accounts receivable are consistently and accurately reported to the Office of Comptroller. The Department has reviewed the accounts receivable process and plans on implementing the necessary internal controls to consistently and accurately report accounts receivable. Also, the Department has increased collection efforts and continues working to ensure that support for all receivables, uncollectibles and adjustments is obtained from each division. Finally, the Department will continue reviewing rental transactions within Fund 538 to determine the amount of receivable to be reported quarterly and at the end of the year.

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

2022-002. **FINDING** (Inadequate Controls over Historical Artifacts)

The Department of Natural Resources (Department) did not have adequate controls over historical artifacts.

The Department is responsible for the protection and interpretation of Illinois' history and historic resources. The Department collects and preserves historically important materials and maintains an artifact collection.

The Department did not maintain a central inventory of its historical artifacts. Each historical site maintained their own inventory listing and there was not an independent review of items added to or removed from the listing maintained by each site. Also, physical inventory counts were performed by the custodians of the artifacts, not by independent persons.

Due to the deficiencies noted above, we were unable to conclude the Department's population records of historical artifacts were sufficiently precise and complete under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36) to test the Department's compliance relative to historical artifacts.

Even given the population limitations noted above which hindered our ability to conclude whether the records were complete and accurate, we requested the Department provide the population of historical artifacts for three historical sites and noted the following:

During our physical inspection of 30 historical artifacts, we noted the following:

- Three (10%) artifacts were found in a location different from the location indicated in the artifacts listing;
- Seven (23%) artifacts could not be located; and,
- One (3%) artifact's ID number did not correspond to the ID number listed on the artifact.

During our tracing of 30 historical artifacts to the Department records, we noted the following:

- One (3%) artifact was not tagged with an artifact ID number, therefore, the item could not be traced to the artifact listing; and,
- Five (17%) artifacts could not be traced to the artifacts listing.

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

2022-002. **FINDING** (Inadequate Controls over Historical Artifacts) - Continued

The State Property Control Act (Act) (30 ILCS 605/4) requires the Department to be accountable for the supervision, control, and inventory of all property under its jurisdiction and control. The Act (30 ILCS 605/6.02) also requires the Department to maintain a permanent record of all items of property under its jurisdiction and control.

Also, 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. Good internal controls would require segregation of duties over record keeping, physical inventory counts, and approval of additions and deletions to the artifact listing to ensure accountability over historical items.

This finding was first reported in Fiscal Year 2018. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over historical artifacts.

Department personnel indicated, as they did in the prior year, the deficiencies noted were due to staffing constraints.

Failure to maintain a complete and accurate inventory of artifacts and lack of segregation of duties could result in an artifact's disappearance going unnoticed. (Finding Code No. 2022-002, 2020-003, 2018-004)

RECOMMENDATION

We recommend the Department maintain a central inventory listing of historical artifacts and implement internal controls requiring additions and deletions to the artifacts catalog be independently reviewed and approved. We also recommend the Department ensure the inventory of all historical artifacts is performed and/or reviewed by independent personnel. Further, we recommend the Department strengthen its internal controls to ensure records are accurately maintained and artifacts are properly accounted for.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department has established a collections committee for reviewing the acquisition/removal of artifacts. The committee consists of three Site Managers and an Illinois State Museum Curator. The Department will continue to work towards obtaining an independent review of the inventory of historical artifacts, but lack of manpower is continuing to hamper efforts to comply with independent reviews.

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

2022-003. **FINDING** (Inadequate Controls over Preparation of Monthly Reconciliations)

The Department of Natural Resources (Department) did not have adequate controls over preparation of monthly reconciliations of its significant accounts and transactions with the Office of Comptroller's (Comptroller) records.

During our testing, we noted the Department did not perform monthly reconciliations. Specifically, the Department did not reconcile its internal records with the following Comptroller's reports during Fiscal Years 2021 and 2022:

- Revenue Status Report (SB04);
- Cash Report (SB05);
- Appropriations Status Report (SB01) including lapse periods;
- Appropriation Transfer Report (SB03); and
- Agency Contract Report (SC14) or Obligation Activity Report (SC15).

The Statewide Accounting Management System (SAMS) (Procedure 07.30.20) requires the Department to reconcile its records to the SAMS system on a monthly basis. This reconciliation has to be completed within 60 days after the end of each month.

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 and fiscal administrative controls, to provide assurance 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 to maintain accountability over the State's resources.

This finding was first reported in Fiscal Year 2016. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over monthly reconciliation of its records against the Comptroller records.

Department personnel indicated the failure to perform monthly reconciliations was due to the Department's inability to generate proper reports from the ERP system necessary for the reconciliations.

Failure to prepare monthly reconciliations between the Department and the Comptroller's records reduces the usefulness and reliability of financial information and could result in errors not corrected timely. (Finding Code No. 2022-003, 2020-004, 2018-003, 2016-017)

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

2022-003. **FINDING** (Inadequate Controls over Preparation of Monthly Reconciliations) -
Continued

RECOMMENDATION

We recommend the Department ensure monthly reconciliation of its activity are performed, documented, and reviewed.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and will strive to ensure all required reconciliations of the Department's activities are performed, documented and reviewed on a timely basis.

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

2022-004. **FINDING** (Inadequate Controls over the World Shooting and Recreational Complex’s Operations)

The Department of Natural Resources (Department) did not exercise adequate control over operations of its World Shooting and Recreational Complex (WSRC) in Sparta, Illinois.

During our testing, we noted the following:

Insufficient Controls over Events Documentation

During our testing of facility use agreements, we requested the Department and WSRC provide the population of events and related facility use agreements entered into during the examination period. In response to this request, the Department provided a listing of events held at the WSRC. We noted the population provided by the WSRC was derived from an electronic calendar, and we were unable to reconcile it to the Department’s population of facility use agreements.

Due to these conditions, we were unable to conclude the Department’s population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36) to test the Department’s compliance with its facility use agreements.

Although the population limitations noted above hindered the ability of the accountants to conclude whether the selected sample was representative of the population as a whole, we selected a sample of 20 events from the listing provided by the Department and noted the following during our testing:

- For five (25%) events, the Department could not provide insurance documentation and evidence that insurance information was obtained prior to the event.
- For two (10%) events, the Department could not provide documents to confirm whether facility use fees were collected.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law. Good internal controls include ensuring the Department generates, maintains, and reports reliable information that is accurate and complete.

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

2022-004. **FINDING** (Inadequate Controls over the World Shooting and Recreational Complex’s Operations) - Continued

Also, 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 persons directly affected by the Department’s activities.

Noncompliance with the Criminal Code of 2012

During our testing, we noted in two of four (50%) competitive shooting events held at the WSRC in Fiscal Years 2021 and 2022, the Department failed to give a notice to the Illinois State Police (ISP) within at least 30 calendar days prior to each event. The notices were sent two and 25 days late.

The Criminal Code of 2012 (Code) (720 ILCS 5/24-3(A)(g)) requires the Department to give notice to the ISP at least 30 calendar days prior to any competitive shooting events held at the WSRC. The notification has to be made on a form prescribed by the ISP.

Department personnel indicated the exceptions relating to events documentation were due to staffing constraints. Department personnel also indicated the failure to notify the State Police of competitive shooting events at the WSRC was due to oversight.

Failure to provide a complete and accurate population prevents auditors from completing audit procedures and providing useful and relevant feedback regarding WSRC’s events documentation. Also, failure to obtain evidence of insurance may result in losses from misuse of State assets that may not be recovered. Lastly, failure to maintain records that facility use fees were collected and timely notify ISP of competitive shooting events is a noncompliance with the State Records Act and the Code. (Finding Code No. 2022-004, 2020-005)

RECOMMENDATION

We recommend the Department strengthen internal controls over its operations at the WSRC. Specifically, we recommend the Department:

- ensure the WSRC has an accurate and complete listing of events held;
- ensure proof of insurance is obtained prior to holding events;
- implement adequate audit trails regarding the maintenance and retention of records at the WSRC; and
- ensure ISP is timely notified of competitive shooting events held at the WSRC.

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

2022-004. **FINDING** (Inadequate Controls over the World Shooting and Recreational Complex's Operations) - Continued

DEPARTMENT RESPONSE

The Department agrees with the recommendation and will work to strengthen internal controls over operations at WSRC, including event listing and facility use agreements, ensuring proof of insurance is obtained prior to holding events, adequate audit trails regarding maintenance and retention of records and ensuring ISP is timely notified of competitive shooting events.

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

2022-005. **FINDING** (Inadequate Controls over Contractual Agreements and Obligations)

The Department of Natural Resources (Department) did not exercise adequate controls over its contractual agreements and contract obligations.

During our testing of contractual agreements, we requested the Department provide a population of contractual agreements, including interagency agreements, real property leases, emergency purchases, and contracts and grants over \$3 million. In response to this request, the Department provided a listing of all contractual agreements from the ERP system. However, according to the Department, there were contracts that were not entered into the ERP system between December 2021 through March 2022 due to the vacancy in the position responsible for entering contracts into the ERP system. Due to these conditions, we were unable to conclude the Department's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C §205.36) to test the Department's compliance with its contractual agreements.

Although the population limitations noted above hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, we selected a sample of 40 contractual agreements, 20 intergovernmental agreements, four emergency purchases, and seven real property leases, and noted the following during our testing:

- 14 of 20 (70%) intergovernmental agreements were executed three to 370 days after the beginning of the contract period.

The Intergovernmental Cooperation Act (5 ILCS 220/5) requires interagency agreements to be approved by the governing bodies of each party.

In addition, 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. This would include controls to ensure agreements are fully executed prior to the start of the agreement term.

- Three of seven (43%) real property lease contracts did not have the disclosure of the right to audit records.

The Statewide Accounting Management System (Procedure 15.20.40) requires real property leases to include a right to audit records clause, among other contractual disclosure requirements.

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

2022-005. **FINDING** (Inadequate Controls over Contractual Agreements and Obligations)
Continued

- For one of four (25%) emergency purchases, the actual cost of the emergency purchase was not reported to the Office of the Auditor General after the final cost was determined.

The Illinois Procurement Code (Code) (30 ILCS 500/20-30(c)) requires the Department to file statements with the Procurement Policy Board, the Commission on Equity and Inclusion, and the Auditor General within 10 calendar days after the procurement setting forth the amount expended, the name of the contractor involved, and the conditions and circumstances requiring the emergency procurement. When only an estimate of the cost is available within ten calendar days after the procurement, the actual cost is required to be reported immediately after it is determined.

This finding was first reported in Fiscal Year 2018. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over its contractual agreements and contract obligations.

Department personnel indicated the above issues were due to staffing constraints.

Failure to maintain a complete and accurate listing of contractual agreements and obligations may result in expenditures being not timely encumbered and paid. In addition, failure to timely execute agreements is a noncompliance with State statutes. Further, failure to ensure the Department's contractual agreements include all required clauses may hinder the Department's ability to enforce the requirement against the vendors in the event of noncompliance. Also, failure to report the actual cost of emergency purchases to the Office of the Auditor General is a noncompliance with the Code. (Finding Code No. 2022-005, 2020-018, 2018-018)

RECOMMENDATION

We recommend the Department maintain a complete and accurate list of contractual agreements by ensuring all contractual agreements are timely entered into the ERP system. We also recommend the Department ensure all contractual agreements are timely executed and include required contractual clauses. Further, we recommend the Department report the actual cost of emergency purchases to the Office of the Auditor General in accordance with the Code.

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

2022-005. **FINDING** (Inadequate Controls over Contractual Agreements and Obligations)
Continued

DEPARTMENT RESPONSE

The Department agrees with the recommendations. The Department will work on ensuring contracts and agreements are timely executed and timely entered into the ERP system as well as implementing procedures to ensure all contractual agreements include required contractual certifications and clauses. The Department will report the actual cost of emergency purchases to the Office of the Auditor General in accordance with the Code.

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

2022-006. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively)

The Department of Natural Resources (Department) internal controls over its voucher processing function were not operating effectively during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning System (ERP) operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Department to determine whether certain key attributes were properly entered by the Department's staff into the ERP system. In order to determine the operating effectiveness of the Department's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the ERP system based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

Our testing noted three of 404 (1%) attributes were not properly entered into the ERP system. Therefore, the Department's internal controls over voucher processing were not operating effectively.

The Statewide Accounting Management System (SAMS) (Procedure 17.20.20) requires the Department to, after receipt of goods or services, verify the goods or services received met the stated specifications and prepare a voucher for submission to the Office of Comptroller (Comptroller) to pay the vendor, including providing vendor information, the amount expended, and object(s) of expenditure. Further, the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.30) requires the Department maintain records which reflect the date goods were received and accepted, the date services were rendered, and the proper bill date. Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance expenditures are properly recorded and accounted for to maintain accountability over the State's resources.

Due to this condition, we qualified our opinion because we determined 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.

Even given the limitations noted above, we conducted an analysis of the Department's expenditures data for fiscal years 2021 and 2022 to determine compliance with the State Prompt Payment Act (Act) (30 ILCS 540) and the Code (74 Ill. Admin. Code 900.70). We noted the following noncompliance:

- The Department owed 1,172 vendors interest totaling \$461,736 in fiscal years 2021 and 2022; however, the Department had not approved these vouchers for payment to the vendors.

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

2022-006. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively) -
Continued

The Act (30 ILCS 540) requires agencies to pay vendors who had not been paid within 90 days of receipt of a proper bill or invoice interest.

- The Department did not timely approve 53,683 of 126,068 (43%) vouchers processed during the examination period, totaling \$135,367,106. We noted these late vouchers were submitted by the Department to the Comptroller between one and 402 days late.

The Code (74 Ill. Admin. Code 900.70) requires the Department to timely review each vendor's invoice and approve proper bills within 30 days after receipt.

This finding was first reported in Fiscal Year 2014. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over voucher processing.

Department personnel indicated the deficiencies noted were due to staffing constraints and oversight.

Failure to properly enter the key attributes into the State's ERP when processing a voucher for payment hinders the reliability and usefulness of data extracted from the ERP system, which can result in improper interest calculations and expenditures. Further, failure to timely process proper bills and approve vouchers for payment of interest due represents noncompliance with the Code and the Act. (Finding Code No. 2022-006, 2020-024, 2018-005, 2016-003, 2014-010)

RECOMMENDATION

We recommend the Department design and maintain internal controls to provide assurance its data entry of key attributes into ERP system is complete and accurate. Further, we recommend the Department process proper bills within 30 days of receipt and approve vouchers for payment of interest due to vendors.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department continues to work on internal controls to provide assurance the data entry of key attributes into the ERP system is complete and accurate. The Department has improved its procedures to ensure vouchers are timely approved and paid.

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

2022-007. **FINDING** (Inadequate Controls over Petty Cash)

The Department of Natural Resources (Department) did not have adequate controls over its petty cash funds.

- We requested the Department provide a population of petty cash funds and change funds. In response to this request, the Department provided a listing of all petty cash funds and change funds maintained during the examination period. During testing, we noted the following:
 - The Department’s listing had 107 change funds while the Office of Comptroller (IOC) records showed the Department had 106 change funds;
 - Fund custodians for nine petty cash funds and one change fund did not match with the fund custodians per IOC records;
 - One petty cash fund’s address did not match with the address per IOC records; and
 - One change fund had a fund number that did not match with the fund number per IOC records.

Due to these conditions, we were unable to conclude the Department’s population records were sufficiently precise and complete under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C §205.36) to test the Department’s compliance over its petty cash and change funds.

Although the population limitations noted above hindered our ability to conclude whether the records were complete and accurate, we selected a sample of 30 monthly reconciliations from 15 petty cash funds and noted the following:

- Three (10%) reconciliations were not performed on a timely basis. The reconciliations were prepared five to 135 days late; and,
- 19 (63%) reconciliations were not reviewed and approved by the supervisor.

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 resources and 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.

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

2022-007. **FINDING** (Inadequate Controls over Petty Cash) - Continued

- During our site visits, we noted inadequate segregation of duties over petty cash funds at six of 11 (55%) sites tested. We noted one individual at each of the noted sites performed most, if not all, of the transaction cycle, including:
 - Authorization by reviewing and approving transactions, including having signature authority for the checks;
 - Custody by maintaining the account's records and making deposits at the bank;
 - Recordkeeping by preparing entries and maintaining the Department's internal accounting records and the account's checkbook; and,
 - Reconciliation by preparing reconciliations of the account's records to the bank's records to verify each transaction's validity, proper authorization, and entry into the Department's accounting records.

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 resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

- During our testing of the Annual Petty Cash Fund Usage Reports (C-18), the Department could not provide 29 of 48 (60%) C-18 forms. As such, we could not determine if the C-18 forms were filed with the Office of Comptroller by January 31 during the examination period.

The Statewide Accounting Management System (SAMS) (Procedure 09.10.40) requires the C-18 forms to be completed for those petty cash funds exceeding \$100 and filed with the IOC no later than January 31 for the preceding calendar year.

- The Department did not maintain records of each petty cash fund that received reimbursements of more than \$5,000 in a fiscal year. As such, we could not determine whether an internal audit was to be performed on the petty cash fund that met the \$5,000 threshold.

The State Finance Act (30 ILCS 105/13.3) requires an internal audit to be performed of any petty cash fund which receives reimbursements of more than \$5,000 in a fiscal year. Further, the State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department, designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the State's activity.

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

2022-007. **FINDING** (Inadequate Controls over Petty Cash) - Continued

- During our testing of the Petty Cash Internal Control Certification (C-86) reports, we noted the Department did not file C-86 reports that were due in Calendar Years 2020 and 2021 with the Office of Comptroller.

SAMS (Procedure 09.10.40) requires the Department to complete the C-86 reports biennially (once every two years) for each petty cash fund which has been established for one year and exceeds \$100.

This finding was first reported in Fiscal Year 2018. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over petty cash funds.

Department personnel indicated the above exceptions were mostly due to staffing constraints.

Failure to maintain complete and accurate records and lack of adequate segregation of duties over petty cash and change funds could result in misappropriation of assets not timely prevented or detected. Further, failure to timely prepare, review, and approve petty cash reconciliations, as well as failure to track and maintain records of petty cash funds exceeding \$5,000 in annual reimbursements and perform internal audits, may result in errors and misappropriation of assets not timely prevented or detected. Also, failure to file C-86 and C-18 reports with the Office of Comptroller inhibits the State from accumulating meaningful oversight information. (Finding Code No. 2022-007, 2020-012, 2018-019)

RECOMMENDATION

We recommend the Department maintain complete and accurate records and adequate segregation of duties over petty cash and change funds. We also recommend the Department maintain adequate oversight over petty cash expenditures and reconciliations and file required C-18 and C-86 reports with the Office of Comptroller. In addition, we recommend the Department track petty cash funds to determine whether reimbursements for each fund exceeded \$5,000 in a fiscal year and perform internal audits on such funds.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will maintain complete and accurate records over petty cash and cash funds. Also, the Department will maintain adequate oversight over petty cash expenditures and reconciliations and ensure timely filing of C-18 and C-86 reports with the Office of Comptroller. Finally, the Department has procedures established to track petty cash funds to determine whether reimbursements for each fund exceeded \$5,000 in a fiscal year.

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

2022-008. **FINDING** (Weaknesses in Cybersecurity Programs and Practices)

The Illinois Department of Natural Resources (Department) failed to implement internal controls related to cybersecurity programs, practices and control of confidential information.

The Department is mandated to “manage, conserve and protect Illinois' natural, recreational and cultural resources, further the public's understanding and appreciation of those resources, and promote the education, science and public safety of Illinois' natural resources for present and future generations.” In order to carry out this mission, the Department utilizes several Information Technology (IT) applications which contain 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, practices and control of confidential information. During our examination of the Department’s cybersecurity program, practices, and control of confidential information, we noted the Department:

- Had not developed a formal, comprehensive, adequate and communicated security program (policies, procedures, and processes) to manage and monitor the regulatory, legal, environmental and operational requirements.
- Had not developed a project management framework to ensure new applications were adequately developed and implemented in accordance with management’s expectations.
- Had not defined cybersecurity roles and responsibilities.
- Did not have policies documenting guidelines for reporting security violations and suspected violations.
- Had not established a cybersecurity plan documenting the Department’s security program, policies and procedures.
- Had relied on the Department of Innovation and Technology (DoIT) for vulnerability monitoring, however, had not reviewed any vulnerability documentations, generated any reports, nor documented security event monitoring.
- Had not developed a risk management methodology, conducted a comprehensive risk assessment, or implemented risk reducing internal controls.
- Had not developed a data classification methodology or classified its data.

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

2022-008. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) - Continued

- Did not provide documentation of the security solutions utilized to protect their assets.
- Had not documented security event monitoring.

We also requested documentation demonstrating employees and contractors had acknowledged receipt and understanding of security policies and procedures; however, such documentation was not provided.

Additionally, we requested the Department provide the annual cybersecurity training reports for the examination period in order to determine if employees and contractors had completed the training. During our testing, we noted four of 60 (7%) employees had not completed the annual cybersecurity training.

The *Framework for Improving Critical Infrastructure 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 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 Data Security on State Computers Act (20 ILCS 450/25 (b)) states every employee is to annually undergo training by the Department of Innovation and Technology concerning cybersecurity.

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

This finding was first reported in Fiscal Year 2012. In subsequent years, the Department has failed to implement appropriate corrective actions.

Department personnel indicated DoIT was responsible for cybersecurity controls and the Department did not have sufficient resources.

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

2022-008. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) - Continued

Failure to implement internal controls related to cybersecurity programs, practices and control of confidential information could result in unidentified risk and vulnerabilities and ultimately lead to the Department's volumes of personal information being susceptible to cyber-attacks and unauthorized disclosure (Finding Code No. 2022-008, 2020-030, 2018-010, 2016-008, 2014-015, 12-13)

RECOMMENDATION

We recommend the Department work with DoIT to obtain a detailed understanding of each agency's roles and responsibilities. We also recommend the Department:

- develop a formal, comprehensive, adequate and communicated security program (policies, procedures, and processes) to manage and monitor the regulatory, legal, environmental and operational requirements.
- develop a project management framework to ensure new applications are adequately developed and implemented in accordance with management's expectations.
- define cybersecurity roles and responsibilities.
- develop policies documenting guidelines for reporting security violations and suspected violations.
- establish a cybersecurity plan documenting the Department's security program, policies and procedures.
- review the vulnerability documentations, generate any reports, and document security event monitoring of the Department's assets.
- develop a risk management methodology, conduct a comprehensive risk assessment, and implement risk reducing internal controls.
- develop a data classification methodology and classified its data.
- obtain and review documentation of the security solutions utilized to protect their assets.
- document security event monitoring.

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

2022-008. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) - Continued

Additionally, we recommend the Department ensure employees and contractors acknowledged receipt and understanding of security policies and procedures. Further, we recommend the Department ensure employees and contractors complete the annual cybersecurity training.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and will work with DoIT to obtain a detailed understanding of each agency's roles and responsibilities.

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

2022-009. **FINDING** (Inadequate Internal Controls over Census Data)

The Department of Natural Resources (Department) did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or OPEB plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuation (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the Department's employees within the Fund are members of both the State Employees' Retirement System of Illinois (SERS) for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Finally, we noted CMS' actuaries use SERS' census data records to prepare the OPEB actuarial valuation.

During testing, we noted the following:

- The Department had not performed an initial complete reconciliation of its census data recorded by SERS to its internal records to establish a base year of complete and accurate census data.
- After establishing a base year, the Department had not developed a process to annually obtain from SERS the incremental changes recorded by SERS in their census data records and reconcile these changes back to the Department's internal supporting records.

For employers participating in plans with multiple-employer and cost-sharing characteristics, 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

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

2022-009. **FINDING** (Inadequate Internal Controls over Census Data) - Continued

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.

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

Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

Department personnel indicated the failure to reconcile census data was due to staffing constraints.

Failure to reconcile active members' census data reported to and held by SERS to the Department's records could result in each plan's actuary relying on incomplete or inaccurate census data in the calculation of the State's pension and OPEB balances, which may result in a misstatement of these amounts. (Finding Code No. 2022-009)

RECOMMENDATION

We recommend the Department work with SERS to develop an annual reconciliation process of its active members' census data from its underlying records to a report of the census data submitted to each plan's actuary. After completing an initial full reconciliation, the Department may limit the annual reconciliation to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will develop an annual reconciliation process of its active members' census data from its underlying records to a report of the census data submitted to the plan's actuary.

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

2022-010. **FINDING** (Failure to Fully Utilize the State’s Enterprise Resource Planning System)

The Department of Natural Resources (Department) did not utilize all capabilities of the State’s Enterprise Resource Planning (ERP) system which resulted in unnecessary inefficiency.

The State’s implementation of an ERP system centralized the finance, procurement, grants management, and asset management processes by replacing outdated manual systems and technologies. The ERP system can enhance transparency of data, reduce processing time, and improve the timeliness of financial reporting. During the examination period, the ERP system’s processing integrity was sufficient to enable reliance upon ERP’s processing of transactions.

For commodities and property inventories, the ERP system has several functionalities which reduce the amount of manual transactions and processing time, such as the “shopping cart” feature that creates a purchase order, tracks receipt of the goods or service along with the vendor’s related invoice, helps generate the voucher fields necessary for the processing of payment to the vendor, records inventory and property transactions, and enables financial reporting to the Office of Comptroller.

During our examination, we noted the Department:

- billed entities for various services; however, the Department did not fully utilize the Public Sector Collection & Disbursements (PSCD) module. The PSCD module maintains transactions related to billings, payments and accounts receivable. During the examination period, the Department had billings totaling approximately \$33,419,000;
- awarded grants to various entities; however, the Department did not fully utilize the Grants Management module. Grants Management module maintains the details, including but not limited to budget, obligations, expenditures, and revenues of grants awarded associated with each specific grant. During the examination period, the Department had awards and grants expenditures totaling \$62,573,603; and,
- purchased commodities and supplies from vendors; however, the Department did not fully utilize the Material Management and Warehouse Management modules. The Material Management module records transactions related to the purchase of commodities and supplies. Warehouse Management module maintains, tracks and processes movement of goods and inventory.

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

2022-010. **FINDING** (Failure to Fully Utilize the State’s Enterprise Resource Planning System) - Continued

Government Auditing Standards (§ 1.02) states the concept of accountability for use of public resources and government authority is key to our nation’s governing processes. Management and officials entrusted with public resources are responsible for carrying out public functions and providing service to the public effectively, efficiently, economically, and ethically within the context of the statutory boundaries of the specific government program.

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 provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable laws. Good internal controls over compliance include ensuring the full capabilities of the ERP system are used to efficiently process, record, and report transactions.

Department personnel indicated the deficiencies noted were due to staffing constraints.

Failure to fully utilize the State’s ERP system could result in outdated systems not being supported, untimely financial information and the lack of full transparency and resulted in the inefficient usage of State resources. (Finding Code No. 2022-010)

RECOMMENDATION

We recommend the Department to work with the Department of Innovation and Technology to transition and fully utilize the Public Sector Collection & Disbursements, Grants Management, Material Management and Warehouse Management modules of the ERP system.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and will work with DoIT to transition and fully utilize the PSCD and Grants modules.

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

2022-011. **FINDING** (Internal Audit Deficiencies)

The internal audit function at the Department of Natural Resources (Department) failed to comply with the Fiscal Control and Internal Auditing Act (Act) and the International Standards for the Professional Practice of Internal Auditing.

During our testing, we noted the following:

- The Department’s internal audit function did not conduct reviews of the design of major new electronic data processing (EDP) systems and major modifications to existing EDP systems. The Department started using a new licensing, permitting and registration system in April 2021. The internal audit function did not conduct pre-implementation review over this new system.

The Act (30 ILCS 10/2003(a)(3)) requires the Department’s Director ensure its internal audit function reviews major new systems and major modifications to existing systems prior to the system’s installation to ensure the system provides adequate audit trails and accountability.

- Five of 18 (28%) internal audits required to be performed in Fiscal Years 2021 and 2022 were not completed. The internal audit function could not provide evidence of pre-consultation or approval by the Director of the changes to the audit plan.

The Act (30 ILCS 10/2003(a)(1)) and the Department’s Internal Audit Manual (Manual) require the Chief Internal Auditor to meet with the Director to go over the internal audit plan, discuss issues and topics, and obtain the Director's approval.

- The Department’s internal audit function did not undergo an external quality assurance review since its creation in 2010.

The International Standards for the Professional Practice of Internal Auditing, Standard 1312 -External Assessments, requires an internal audit to undergo an external quality assurance review at least once every five years.

- The Department’s internal audit function did not undergo an internal assessment to ensure quality assurance and conformance of the internal audit activity with the standards.

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

2022-011. **FINDING** (Internal Audit Deficiencies) - Continued

The International Standards for the Professional Practice of Internal Auditing, Standard 1311 – Internal Assessments requires ongoing monitoring of the performance of the internal audit and periodic self-assessments or assessments by persons within the organization with sufficient knowledge of internal audit practices.

This finding was first reported in Fiscal Year 2014. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to address internal audit deficiencies.

Department personnel indicated, as they did in the prior year, limited staffing affected their ability to complete all required internal audit activities. Department personnel also indicated the Internal Audit Department has no staff auditors.

Failure to ensure the Department’s internal audit function carries out its duties mandated by the Act and Manual represents noncompliance with State laws and Manual, impairs the Department’s ability to ensure the appropriate corrective action has been taken on prior findings, could result in areas not being subjected to internal audit review for a substantial period of time, and increases the risk of errors or other irregularities that could occur and not be detected during the normal course of operations. Failure of the internal audit function to be subjected to internal and external quality assurance reviews may result in the internal audit deficiencies not being timely detected and opportunities for improvements not being timely identified. (Finding Code No. 2022-011, 2020-021, 2018-012, 2016-010, 2014-007)

RECOMMENDATION

We recommend the Department ensure its internal audit function complies with the provisions of the Act, Internal Audit Manual, and the International Standards for the Professional Practice of Internal Auditing.

DEPARTMENT RESPONSE

The Department agrees with the recommendation to ensure the Department’s internal audit function complies with the provisions of the Act and the International Standards for the Professional Practice of Internal Auditing. Although no permanent staff auditors have been retained, Internal Audit has been utilizing the services of an intern. This will assist the Chief Internal Auditor in addressing the compliance issues noted. In addition, Internal Audit will continue to reevaluate current operating procedures in an effort to become more efficient and effective.

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

2022-012. **FINDING** (Inadequate Administration and Monitoring of State Awards and Grants)

The Department of Natural Resources (Department) did not adequately administer and monitor its awards and grants program.

During Fiscal Years 2021 and 2022, the Department expended approximately \$63 million in awards and grants. During testing of 15 grant agreements, totaling \$11.6 million, we noted the following:

- For 12 (80%) grant agreements, grantees did not submit 59 of 146 (40%) quarterly project status reports to the Department.
- For two (13%) grant agreements, grantees did not submit the audit reports to the Department.
- For eight (53%) grant agreements, grantees did not submit the close-out reports to the Department at the end of the grant period.

The grant agreements require the grantees to submit financial reports and performance reports with frequency and deadlines specified in the grant agreements.

Further, the Grant Accountability and Transparency Act (30 ILCS 708/45(g)) requires the Department to enhance its processes to monitor and address noncompliance with reporting requirements and with program performance standards.

Also, 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 resources are utilized efficiently and effectively, and in compliance with applicable law.

Department personnel indicated the exceptions were due to staffing constraints.

Failure to ensure grantees submit the required reports increases the risk of misuse of funds and errors not being timely detected and results in noncompliance with provisions of the grant agreements. (Finding Code No. 2022-012)

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

2022-012. **FINDING** (Inadequate Administration and Monitoring of State Awards and Grants) - Continued

RECOMMENDATION

We recommend the Department strengthen its controls to ensure grantees comply with the reporting requirements of the grants.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and will continue to strengthen the Department's controls to ensure grantees comply with the reporting requirements of the grants.

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

2022-013. **FINDING** (Inadequate Controls over Systems Development and Change and Change Management)

The Department of Natural Resources (Department) failed to implement adequate controls over system developments and changes to its applications and data.

During our examination, we noted the Department had not established a change management policy to document the controls over changes to its applications and data. In addition, the Department had not developed a system development standard to ensure new application developments met the Department's requirements.

The *Framework for Improving Critical Infrastructure 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, Configuration Management and System and Services Acquisition sections, requires entities to document their controls to ensure system development projects met their needs, are timely and stay within budget. Further, entities are to document the control over changes to applications and data to ensure changes are authorized and reviewed.

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

Department personnel indicated the Department of Innovation and Technology (DoIT) was responsible for changes to their applications and development needs.

Failure to implement adequate controls over application development or changes to the Department's applications and data could result in unauthorized changes and application development not meeting the Department's needs. (Finding Code No. 2022-013)

RECOMMENDATION

We recommend the Department work with DoIT to obtain a detailed understanding of each party's responsibilities relating to system development and change management over the Department's applications and data. We further recommend the Department develop a system development standard and change management policies.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and will work with DoIT to obtain a detailed understanding of each party's responsibilities relating to system development and change management over the Department's applications and data.

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

2022-014. **FINDING** (Inadequate Controls over Service Providers)

The Department of Natural Resources (Department) failed to implement adequate controls over its service providers.

We requested the Department provide the population of service providers utilized in order to determine if they had reviewed the internal controls over their service providers. However, the Department did not provide a population.

Although the Department did not provide a listing of service providers, during our testing we noted a service provider which provided software as a service. We requested the Department provide the service provider’s contract and System and Organization Controls (SOC) report. However, the Department did not provide the requested documentation. As a result, we were unable to conduct testing to determine if the Department had implemented controls over their service providers.

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), Maintenance and System and Services 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 all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State’s resources.

Department personnel indicated the Department of Innovation and Technology (DoIT) was responsible for the Department’s security controls and the Department did not have sufficient resources.

Failure to implement adequate controls over service providers could result in inadequate controls at the service providers. (Finding Code No. 2022-014)

RECOMMENDATION

We recommend the Department work with DoIT to obtain a detailed understanding of each entity’s responsibilities regarding the Department’s service providers. In addition, we recommend the Department implement control to determine their population of service providers. Further, we recommend the Department:

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

2022-014. **FINDING** (Inadequate Controls over Service Providers) - Continued

- obtain SOC reports and document their review.
- monitor and document the operation of CUECs related to the Department's operations.
- either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- document the review of the SOC reports and all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impact to the Department, and any compensating controls.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and will work with DoIT to obtain a detailed understanding of each entity's responsibilities regarding service providers.

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

2022-015. **FINDING** (Weaknesses over Computer Security)

The Department of Natural Resources (Department) had weaknesses over computer security.

During testing, we noted the Department:

- did not have a formal access provisioning policy.
- did not timely remove separated employees' user access rights. We noted four of 277 (1%) separated employees continued to have access to an application subsequent to their separation from the Department. Further, we noted the Department did not evaluate whether the separated employees accessed the application.
- could not provide a list of users for two of five (40%) applications selected for testing.
- did not ensure laptops were encrypted to protect data at rest. During testing of 40 laptops, we noted one laptop (3%) did not have encryption installed and 18 (45%) laptops could not be located for physical inspection, therefore, we could not determine if these laptops were encrypted.
- had not maintained adequate control over lost or missing computer equipment items. Twelve electronic data processing equipment items were reported as lost and missing during the Department's inventory and two laptops were removed from the Department records because they were missing. However, the Department did not determine if any confidential information was stored on these electronic data processing systems.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology, Access Control section, requires timely termination of access rights; System and Information Integrity section requires implementation of security protection mechanisms; and System and Services Acquisition section requires a properly secured infrastructure.

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

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

2022-015. **FINDING** (Weaknesses over Computer Security) – Continued

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

Department personnel indicated the issues were due to staffing limitations.

Failure to have adequate security controls over computing resources increases the risk of unauthorized access to the computing environment and the risk that confidentiality, integrity, and availability of systems and data will be compromised. (Finding Code No. 2022-015, 2020-006)

RECOMMENDATION

We recommend the Department:

- establish and implement a formal access policy;
- ensure timely deactivation of separated users' access;
- maintain a list of users for each applications;
- ensure computer equipment devices that store and process confidential and sensitive information are encrypted; and
- conduct an assessment to determine if lost or stolen laptops contained confidential or personal information and ensure compliance with the Personal Information Protection Act.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will establish and implement a formal access policy, ensure timely deactivation of separated users' access and maintain a list of users for each application.

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

2022-016. **FINDING** (Property Control Weaknesses)

The Department of Natural Resources (Department) did not maintain adequate controls over its property and related fixed asset records.

- During our testing of additions and deletions, we noted the following:
 - Five of 40 (13%) equipment acquisitions, totaling \$3,193,599, were added to the Department’s property records 94 to 564 days after the goods acceptance date.
 - Two of 40 (5%) equipment deletions, totaling \$26,087, were removed from the Department’s property records 104 and 116 days after the Department of Central Management Services’ (DCMS) approval date of deletion.

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

- During our physical inspection of 60 equipment items, we noted the following:
 - Five (8%) equipment items, totaling \$1,299,395, could not be located.
 - Four (7%) equipment items, totaling \$64,466, did not have tag numbers.
- During our tracing of 60 equipment items to the Department records, we noted the following:
 - Three (5%) equipment items, totaling \$36,936, were recorded under a different location.
 - Two (3%) equipment items, totaling \$17,770, did not have property tag numbers.

The Statewide Accounting Management System (SAMS) (Procedures 29.10.10) requires agencies to maintain detailed property records and update property records as necessary to reflect the current balance of the State property. Such detailed records are to be organized by major asset category and include information such as the equipment tag number, location, item function and activity, among others.

The Illinois Administrative Code (44 Ill. Admin. Code 5010.210) requires the Department to mark each piece of State-owned equipment in its possession with a unique identification number.

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

2022-016. **FINDING** (Property Control Weaknesses) - Continued

- We noted 22 equipment items at various sites consisting of tractors, generators, mowers, printers, DVD players, power distribution units, refrigerators, boats, vehicles, air coolers, air conditioning units, and meat slicers, totaling \$87,846, were no longer used or serviceable. These assets were not transferred to DCMS or appropriately disposed.

The Illinois Administrative Code (44 Ill. Admin. Code 5010.610) requires all transferable equipment which is no longer serviceable to be scrapped. Scrap having a market value is required to be sold.

This finding was first reported in Fiscal Year 2014. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to address its property control weaknesses.

Department personnel indicated additions and deletions were not timely reflected in the property records due to late payment of invoices by originating divisions, late transfer of assets by the other State agency, and human error while other exceptions noted were due to staffing constraints.

Inadequate control over Department's property and fixed asset records increases the potential for fraud and possible loss or theft of State property, and reduces the reliability of Statewide property information. Further, failure to exercise adequate internal control over equipment represents noncompliance with State laws and regulations. (Finding Code No. 2022-016, 2020-007, 2018-016, 2016-016, 2014-008)

RECOMMENDATION

We recommend the Department strengthen its controls over property and equipment to ensure all equipment transactions are timely recorded, tag numbers are properly attached to equipment items, and equipment items are properly accounted for and maintained. We also recommend the Department periodically review all existing equipment items to identify items no longer used and eligible for scrapping or surplus.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department continues to strive to record property transactions in a timely manner and ensure the property control system accurately reflects the property inventory.

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

2022-017. **FINDING** (Failure to Comply with the Illinois State Agency Historic Resources Preservation Act)

The Department of Natural Resources (Department) did not comply with the provisions of the Illinois State Agency Historic Resources Preservation Act (Act).

During our testing, we noted the following:

- The Department did not prepare an annual report for Fiscal Years 2021 and 2022 that includes an outline of State agency actions on which comment was requested or issued under this Act.

The Act (20 ILCS 3420/5(a)) requires the Director to include in the Department’s annual report an outline of State agency actions on which comment was requested or issued under this Act.

- The Department did not maintain a current list of all historic resources owned, operated, or leased by the State and appropriate maps indicating the location of all such resources. While the Department maintains a map of historic sites, the map excludes other resources owned, operated, or leased by the State.

The Act (20 ILCS 3420/5(b)) requires the Director to maintain a current list of all historic resources owned, operated, or leased by the State and appropriate maps indicating the location of all such resources. These maps are to be in a form available to the public and State agencies, except that the locations of archaeological resources are excluded.

- The Department failed to carry out its duties related to the preservation, conservation, inventory, and analysis of fine and decorative arts, furnishings, and artifacts of the Governor’s Office in the Capitol in Springfield, and the Hayes House in DuQuoin as required by Act.

The Act (20 ILCS 3420/5(f)) requires the Department to manage and control the preservation, conservation, inventory, and analysis of fine and decorative arts, furnishings, and artifacts of the Governor’s Office in the Capitol in Springfield, and the Hayes House in DuQuoin.

This finding was first reported in Fiscal Year 2018. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to comply with the provisions of the Act.

Department personnel indicated the above exceptions were due to staff turnover and staffing constraints.

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

2022-017. **FINDING** (Failure to Comply with the Illinois State Agency Historic Resources Preservation Act) - Continued

Failure to comply with the Act weakens overall State agency collaboration in preserving, restoring, and maintaining the historic resources of the State of Illinois. In addition, failure to include required information in its annual report and to maintain a list of owned, operated, or leased historic resources represents noncompliance with the Act. Further, the Department's failure to carry out its duties related to the preservation and conservation of historic resources prevents the fostering and enhancement of the availability of these resources to future generations. (Finding Code No. 2022-017, 2020-014, 2018-022)

RECOMMENDATION

We recommend the Department comply with all provisions of the Act.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and will strive to comply with all provisions of the Illinois State Agency Historic Resources Preservation Act or seek legislative remedy.

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

2022-018. **FINDING** (Noncompliance with Mandated Duties)

The Department of Natural Resources (Department) did not comply with certain duties mandated by State law.

During our testing, we noted the following:

- The Department did not maintain the required number of bilingual on-board frontline staff during Fiscal Years 2021 and 2022. Specifically, the Department lacks four required bilingual frontline staff over its number of bilingual frontline staff on June 30, 2007.

The State Services Assurance Act for FY2008 (5 ILCS 382/3-15) requires the Department to add and maintain, at least, five additional bilingual frontline staff over its number of bilingual frontline staff on June 30, 2007.

- The Department did not comply with the provisions of the Historic Preservation Act regarding the Amistad Commission (Commission). The Commission did not meet in any of the four quarters of Fiscal Years 2021 and 2022 and did not prepare a biannual report to file with the Governor and the General Assembly regarding its findings and recommendations. Further, we noted there were four vacancies in the Commission during the examination period. The vacancies were two ex-officio members and two members to be appointed by the Governor.

The Historic Preservation Act (Act) (20 ILCS 3405/22(c)) requires the Commission consist of 15 members, including three ex-officio members: the State Superintendent of Education or his or her designee, the Director of Commerce and Economic Opportunity or his or her designee, and the Director of Natural Resources or his or her designee; and 12 public members (6 appointed by the Governor). The Act (20 ILCS 3405/22(d)) requires the Commission to meet at least quarterly or more frequently at the call of the chairperson or if requested by nine or more members. The Act (20 ILCS 3405/22(l)) requires the Commission to report its activities and findings, as required under subsection (i), to the Governor and General Assembly on or before June 30, 2006, and biannually thereafter.

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

2022-018. **FINDING** (Noncompliance with Mandated Duties) - Continued

- The Department did not develop and implement rules and regulations for the issuance of permits to engage in exploration or excavation of archaeological and paleontological resources. Proposed regulations were drafted in 1997; however, they were not finalized and enacted through the rulemaking process. Additionally, the Department did not consult with the various State agencies owning or managing the land for the use of the State before issuing permits.

The Archaeological and Paleontological Resources Protection Act (Act) (20 ILCS 3435/6(a)) requires the Department, in consultation with various State agencies owning or managing land for the use of the State of Illinois, to develop regulations whereby permits may be issued for exploration or excavation of archaeological and paleontological resources. Further, the Act requires the Department to consult with the head of other State agencies before issuing permits.

- The Department failed to develop and maintain application forms for its State-owned housing. Additionally, the Department failed to maintain records of decisions as to who was selected to receive State housing and why they were selected in accordance with the State Employee Housing Act (Act).

The State Employee Housing Act (5 ILCS 412/5-30) requires the Department to develop and maintain application forms for its State-owned housing, written criteria for selecting employee tenants, and records of decisions as to who was selected to receive State housing and why they were selected.

This finding was first reported in Fiscal Year 2012. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over compliance with certain mandated duties.

Department personnel indicated they continue to recruit and attempt to fill the vacant bilingual frontline staff but have not yet been filled due to COVID-19 and staffing issues. In addition, Department personnel indicated, as they did in the prior year, the noncompliance regarding the Amistad Commission was due to lack of funding. Further, Department personnel indicated failure to develop and implement rules and regulations in compliance with the Archaeological and Paleontological Resources Protection Act was due to staff turnover and the lack of follow-through to finalize the rules and regulations drafted in 1997. Finally, Department personnel indicated application forms or documentation of records of decision as to who was selected to receive State Housing were not maintained since there was not enough demand for the State housing.

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

2022-018. **FINDING** (Noncompliance with Mandated Duties) - Continued

Failure to maintain the required number of bilingual frontline staff may hinder the effective delivery of essential services to Illinois residents who do not speak the English language fluently. In addition, failure to comply with the Historic Preservation Act and Paleontological Resources Protection Act results in noncompliance with State statutes. Finally, failure to develop and maintain application forms for its State-owned housing and maintain records of decisions as to who was selected to receive State housing and why they were selected represents noncompliance with the State Employee Housing Act. (Finding Code No. 2022-018, 2020-015, 2018-015, 2016-015, 2014-011, 12-10)

RECOMMENDATION

We recommend the Department continue to seek bilingual frontline staff to comply with the State Services Assurance Act. We also recommend the Department ensure the Commission is fully seated and administered to comply with the provisions of the Historic Preservation Act or work with the General Assembly to seek legislative remedy. Further, we recommend the Department implement rules and regulations in accordance with the Archaeological and Paleontological Resources Protection Act. Lastly, we recommend the Department design application forms and maintain records in compliance with the State Employee Housing Act.

DEPARTMENT RESPONSE

The Department agrees with the recommendation to continue to seek bilingual frontline staff to comply with the State Services Assurance Act. The Department continues to seek bilingual frontline staff in recruitment efforts.

Also, the Department agrees with the recommendation to ensure the Amistad Commission is fully seated and administered to comply with the provisions of the Historic Preservation Act. The Department will continue to work to ensure the Commission is fully seated and administered or work with the General Assembly to seek legislative remedy.

Further, the Department agrees with the recommendation to implement rules and regulations in accordance with the Archaeological and Paleontological Resources Protection Act.

Finally, the Department agrees with the recommendation to design application forms and maintain records in compliance with the State Employee Housing Act.

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

2022-019. **FINDING** (Failure to Enforce Concessionaire Lease Agreements)

The Department of Natural Resources (Department) failed to monitor and enforce concessionaire lease agreements regarding rental and reserve payments.

During the examination period, the Department had concession and lease agreements with approximately 81 concessionaires located at State parks throughout the State. The Department's concession coordinators are responsible for negotiating and enforcing lease terms, overseeing the site, approving rates charged, and collecting rental payments. These concession and lease agreements are being monitored by the Department using an agreement tracking database. Department received rental fees from concessionaires totaling \$696,271 and \$649,906 during Fiscal Years 2021 and 2022, respectively.

- During our testing of 59 rental payments from eight concession and lease agreements, we noted three (5%) rental payments were not timely remitted to the Department, ranging from 15 to 30 days late.

The Department's standard contract language for concessionaires, whose rents are based on a percentage of sales, requires the Department to terminate a lease with three delinquent payments in a twelve-month period or a delinquent account of ninety days. Additionally, for concessionaires whose rents are based on an annual fee, the contract requires a specific due date in which rental payment must be received by the Department.

- During our testing of 48 reserve account monthly remittances for the four largest concessionaires/lessees measured in terms of rental payments and/or deposits, we noted one (2%) concessionaires' reserve deposit slips were submitted 18 days late to the Department.

The Department's standard contract language for concessionaires who are required to make reserve deposits based on a percentage of gross revenue requires the lessee to provide the Department a copy of the deposit slip for all monies placed in said Reserve Account each month, no later than the 25th day of the month following the previous month's operations.

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

2022-019. **FINDING** (Failure to Enforce Concessionaire Lease Agreements) - Continued

- During our testing of compliance with the reporting requirements of the concession agreements for the four largest concessionaires/lessees measured in terms of rental payments and/or deposits, we noted the following:
 - Seven of 34 (21%) required reports consisting of balance sheet, income (profit and loss) statement, schedule of gross revenue, annual cash flow analysis, and reconciliations of the schedule of gross revenues with lessee’s revenue reports were not timely submitted to the Department, ranging from three to 110 days late.
 - Seven of 34 (21%) required reports consisting of annual forecast of operating revenues and expenses, budget of capital expenditures, summary of concession's marketing plan and annual analysis could not be located. As a result, we were unable to determine if the related reports were timely submitted to the Department.
 - One of 42 (2%) required reports consisting of a profit and loss statement was not date stamped upon receipt by the Department. As a result, we were unable to determine if the report was timely submitted to the Department.

The Department’s standard contract language for concessionaires and lessees requires the concessionaires to submit at a specified time the following reports:

- a) Financial Statements;
- b) Profit and Loss Statement (Statement of Income);
- c) Schedule of Gross Revenue classified by rental category; Reconciliations of the Schedule of Gross Revenue with Lessee’s revenue reports, lessee’s annual forecast of operating revenues and expenses for the next calendar year;
- d) Budget of capital expenditures for real and personal property for next fiscal year, and for rolling, prospective 3-year period;
- e) Summary of Concession’s marketing plan for the next fiscal year; and
- f) Annual cash flow analysis which itemizes cash flow estimates on a monthly basis.

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 revenues and 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.

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

2022-019. **FINDING** (Failure to Enforce Concessionaire Lease Agreements) - Continued

This finding was first reported in Fiscal Year 2006. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over concessions and lease agreements.

Department personnel indicated the exceptions were mostly due to staffing constraints and the number of lessees being monitored.

Failure to enforce concession and lease terms, including payments and the submission of lease documents and reports, impairs the Department's ability to ensure concessionaires are in good standing and could result in decreased revenue to the Department. (Finding Code No. 2022-019, 2020-016, 2018-007, 2016-005, 2014-004, 12-2, 10-2, 08-3, 06-9)

RECOMMENDATION

We recommend the Department monitor concessionaires to enforce its contractual agreements and send concessionaires formal written communication when they fail to comply with their contractual obligations to the Department.

DEPARTMENT RESPONSE

The Department agrees with the recommendation to monitor concessionaires to enforce contractual agreements and send concessionaires formal written communication when they fail to comply with their contractual obligations.

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

2022-020. **FINDING** (Failure to Update the Department Policy and Procedures Manual)

The Department of Natural Resources (Department) had not updated its fiscal policies, operating procedures, and reporting requirements to reflect changes with laws and regulations.

The Department had not updated its *Finance Handbook* since 2008, and its *Policies and Procedures Manual*, *Employee Handbook*, and *Timekeeping Handbook* since 2006 to reflect changes in governmental policies, laws, regulations, current practices, and the accounting system. As a result, policies and procedures were not always consistent with current laws and regulations and caused confusion among its employees as to their application. In addition, several findings noted during the examination period were partly due to outdated policies and procedures.

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 resources are utilized efficiently, effectively, and in compliance with applicable law.

Department personnel indicated, as they did in the prior year, policies and procedures were not updated due to limited staff and competing priorities.

Updated policies and procedures are important to ensure current practices are in compliance with applicable laws and regulations, ensure consistency in day-to-day operational activities, and to eliminate confusion by providing employees with a clear understanding of their roles and responsibilities. (Finding Code No. 2022-020, 2020-009)

RECOMMENDATION

We recommend the Department update its policies and procedures to reflect changes in governmental policies, laws, regulations, current practices, and the accounting system.

DEPARTMENT RESPONSE

The Department agrees with the recommendation to update the Department policies and procedures to reflect changes in government policies, laws, regulations, current practices and the accounting system. The Department will continue to work to update the Policy and Procedures Manual.

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

2022-021. **FINDING** (Inadequate Controls over Employee Payroll, Timekeeping, and Long-Term Leave of Absences)

The Department of Natural Resources (Department) did not exercise adequate control over its employee timekeeping, payroll, and long-term leave of absences.

During our testing of employee payroll, attendance records, and timesheets, we noted the following:

- For two of 40 (5%) employees tested, the Department could not provide the pay register for the specific period selected for testing. As a result, we were unable to determine the accuracy of the employee deductions for income taxes, Federal Insurance Contributions Act (FICA) taxes, State retirement, health and life insurance.
- For one of nine (11%) employees who utilized military leave days, the Department failed to provide us with pay schedules. As a result, we were unable to determine if the employee's leave of absence payments were properly calculated.
- 15 of 40 (38%) employee timesheets were not signed by the employee, employee's supervisor, or the timekeeper.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department, designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the State's activity.

Additionally, 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 resources are utilized efficiently, effectively, and in compliance with applicable law and the funds are safeguarded against waste, loss, unauthorized use and misappropriation.

The Department's *Timekeeping Handbook* requires designated timekeepers and supervisors to review and approve hours of employees. In addition, the timesheet has to be initialed by the employee, employee's supervisor, and the timekeeper in the space provided at the bottom of the timesheet.

Department personnel indicated the exceptions were due to employee turnover and competing priorities.

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

2022-021. **FINDING** (Inadequate Controls over Employee Payroll, Timekeeping, and Long-Term Leave of Absences) – Continued

Failure to maintain adequate controls over employee payroll-related records such as pay register, pay schedules, and timesheets increases the risk of the Department maintaining incorrect attendance information and paying for time not earned by State employees. (Finding Code No. 2022-021, 2020-008)

RECOMMENDATION

We recommend the Department ensure employee leave of absence and payroll-related records are properly maintained. Further, we recommend the Department ensure timesheets are properly signed by employees, supervisors, and timekeepers in compliance with the *Timekeeping Handbook*.

DEPARTMENT RESPONSE

The Department agrees with the recommendation to ensure employee leave of absence and payroll-related records are properly maintained and to ensure timesheets are properly signed by employees, supervisors and timekeepers in compliance with the *Timekeeping Handbook*.

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

2022-022. **FINDING** (Inadequate Control over Receipts)

The Department of Natural Resources (Department) did not exercise adequate controls over its cash receipts.

During our testing of 100 receipts, totaling \$11,318,569, we noted the following:

- Three (3%) receipts, totaling \$2,140, were not date stamped when received.

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 the legal and financial rights of the State and of persons directly affected by the Department's activities.

- The Receipt Deposit Transmittal (RDT) for a receipt, totaling \$233,555, consisting of multiple online transactions, was not prepared within a reasonable timeframe from the time of receipt. The RDT was prepared and transmitted to the Office of Comptroller 47 days late; however, the monies were timely deposited into the State Treasurer's clearing account.

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 revenues are properly recorded and accounted for to permit the preparation of reliable accounts and financial reports and to maintain accountability over the State's resources. Effective internal controls include a timely preparation of RDTs within 30 days of the receipt of monies.

- The Department did not conduct reconciliations of each division receipt records against the receipts deposited into the Department's Deposit Section to ensure receipts were accurately deposited during Fiscal Years 2021 and 2022.

The Department policies require the Deposit Section to conduct monthly reconciliations of each division receipt records against the receipts deposited into the Department's Deposit Section to ensure receipts were accurately deposited.

This finding was first reported in Fiscal Year 2016. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over receipts.

Department personnel indicated the exceptions were due to staffing constraints.

Failure to properly document the date when the receipts were received is noncompliance with the State Records Act. Further, failure to perform monthly reconciliation of receipts could result in discrepancies and errors in the reports not

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

2022-022. **FINDING** (Inadequate Control over Receipts) – Continued

being corrected in a timely manner. In addition, failure to prepare and submit RDTs in a timely manner may inhibit the State from accumulating meaningful information. (Finding Code No. 2022-022, 2020-010, 2018-011, 2016-009)

RECOMMENDATION

We recommend the Department ensure deposit dates of receipts are documented for all receipts and RDTs are timely completed. We also recommend the Department perform a monthly reconciliation of receipts between the Deposit Section and each division.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will continue to work to ensure deposit dates of receipts are documented for all receipts and RDTs are timely completed.

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

2022-023. **FINDING** (Failure to Comply with the Historical Sites Listing Act)

The Department of Natural Resources (Department) did not comply with the Historical Sites Listing Act (Act).

During our testing, we noted the Department did not work with the Illinois Department of Transportation Division of Highways to place and maintain all markers at State historic sites registered under the Act. The Department indicated this program was carried on by the Illinois Historical Society (Society) when the Society was part of the former Historic Preservation Agency (HPA). The Society broke from the HPA in 1998 and has since run the program. The Department maintained a listing of the historical sites in cooperation with the Society. However, there was no agreement in place to outline the responsibilities of the various parties nor did the Department monitor the Society to ensure the requirements of the Act were being met.

The Act (20 ILCS 3415/1) allows any person or State or local government agency owning a site of general historical interest or having a written consent of the owner of such a site to apply to the Department to have the site listed and marked as a State historic site. The Act (20 ILCS 3415/2) requires the Department to list the site of sufficient historical interest in a register kept for that purpose and to display at the site a suitable marker indicating the site is a registered State historic site. Further, the Act (20 ILCS 3415/3) requires the Department, in cooperation with the Division of Highways of the Department of Transportation and any other interested public or private agency, to place and maintain all markers at State historic sites registered under this Act.

This finding was first reported in Fiscal Year 2018. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to comply with the Act.

Department personnel indicated, as they did in the prior year, the duties required in this statute were performed by the Society and an agreement with the Society was not pursued because this was not initially determined necessary. Moreover, Department personnel indicated there was also lack of sufficient resources devoted or allocated to this area, limiting their ability to conduct all the activities required by the Act.

Lack of a formal agreement with the Society results in the Department effectively outsourcing its mandated responsibilities to an outside party without ensuring compliance with the Act. (Finding Code No. 2022-023, 2020-011, 2018-017)

RECOMMENDATION

We recommend the Department establish a formal agreement with the Society outlining the responsibilities of each party, perform the duties required for compliance with the Act itself, or seek legislative remedy. If the Department establishes a formal agreement

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

2022-023. **FINDING** (Failure to Comply with the Historical Sites Listing Act) – Continued

with the Society, we recommend the Department monitor and oversee the Society’s activities to ensure compliance with the Act.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will seek to establish a formal agreement with the Society or seek legislative remedy.

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

2022-024. **FINDING** (Inadequate Controls over Bank Reconciliations)

The Department of Natural Resources (Department) did not properly prepare and review bank reconciliations at Department sites.

The Department maintains a total of 137 State parks and 51 State historic sites located throughout the State.

- During our testing of 16 bank reconciliations at eight Department sites, we noted the following:
 - Two (13%) bank reconciliations did not include a signature indicating supervisory review and approval by a second individual;
 - Two (13%) bank reconciliations were not timely completed, ranging between one and 32 days late; and,
 - Three (19%) bank reconciliations were not performed.
- During our Department site visits, we noted inadequate segregation of duties at three of eight (38%) sites. We noted one individual at each of those sites performed most, if not all, of the revenue account transaction cycle, including:
 - Authorization by reviewing and approving transactions, including having signature authority for the checks;
 - Custody by maintaining the account's records and making deposits at the bank;
 - Recordkeeping by preparing entries and maintaining the Department's internal accounting records and the account's checkbook; and,
 - Reconciliation by preparing reconciliations of the account's records to the bank's records to verify each transaction's validity, proper authorization, and entry into the Department's accounting records.

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 resources are safeguarded against waste, loss, unauthorized use, and misappropriation and to maintain accountability over the State's resources. Good internal controls include maintaining segregation of duties over all transactions and documenting the preparation and review of monthly account reconciliations.

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

2022-024. **FINDING** (Inadequate Controls over Bank Reconciliations) - Continued

This finding was first reported in Fiscal Year 2018. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to ensure bank reconciliations are timely and properly performed.

Department personnel indicated, as they did in the prior year, the deficiencies noted were due to staffing constraints.

Failure to maintain proper segregation of duties and ensure reconciliations are timely prepared and reviewed may result in errors or other irregularities going undetected for a significant period of time. (Finding Code No. 2022-024, 2020-013, 2018-023)

RECOMMENDATION:

We recommend the Department review and update existing policies and procedures to ensure reconciliations are performed timely and properly while maintaining adequate segregation of duties.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will continue to work on improving bank reconciliation procedures to ensure reconciliations are performed timely and properly while maintaining adequate segregation of duties.

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

2022-025. **FINDING** (Inadequate Controls over Vehicles)

The Department of Natural Resources (Department) did not exercise adequate controls over its vehicles.

During our testing, we noted the following:

- Twenty-five of 40 (63%) vehicles did not receive oil changes on scheduled intervals.
- Thirty of 40 (75%) vehicles did not receive tire rotations during the examination period. Additionally, three of 40 (8%) vehicles did not receive tire rotations in proper intervals.

The Vehicle Guide of the Department of Central Management Services (CMS) requires oil changes every 3,000 miles or 12 months, whichever comes first, for passenger vehicles ten years or older or every 5,000 miles or 12 months, whichever comes first, for passenger vehicles nine years and newer as well as a tire rotation on all passenger vehicles in conjunction with every second oil change.

- Thirty of 40 (75%) vehicles tested did not undergo an annual inspection. Of those, 14 vehicles did not undergo an inspection in Fiscal Year 2021, ten vehicles did not undergo an inspection in Fiscal Year 2022 and the remaining six did not undergo inspections in both Fiscal Years 2021 and 2022.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5040.410(a)) requires the Department to have all of its vehicles undergo an annual inspection by CMS or an authorized vendor.

- Two of 15 (13%) accidents were not timely reported to CMS, with accidents reported two and 31 days late.

The Code (44 Ill. Admin. Code 5040.520(i)) requires the completed Motorist's Report of Illinois Motor Vehicle Accident form (SR-1) to be received by the CMS Auto Liability Unit no later than seven calendar days following the accident.

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

2022-025. **FINDING** (Inadequate Controls over Vehicles) - Continued

- We noted two underutilized vehicles during Fiscal Year 2022:

Fiscal Year	Year	Make	Average Monthly Usage
FY2022	2020	Ford	143
FY2022	2009	Ford	50

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are utilized efficiently and effectively. Good internal control over vehicles includes performing an analysis to identify unused and underused vehicles and transfer them to needed agencies. Additionally, the Code (44 Ill. Admin. Code 5010.620) requires the Department to regularly survey its inventory to identify transferable equipment and transfer any such equipment to the CMS.

- For 40 of 40 (100%) employees with personally assigned State vehicle during Fiscal Years 2021 and 2022, the Department did not obtain the annual certification from the employees.

The Illinois Vehicle Code (625 ILCS 5/7-601(c)) requires every employee assigned to a specific vehicle owned or leased by the State on an ongoing basis affirm the driver is duly licensed and has liability insurance coverage extending to the vehicle when it is used for other than official State business. The certification must be filed during July of each calendar year or within 30 days of any new assignment of a vehicle, on an ongoing basis, whichever is later.

- The Department did not timely submit the Fiscal Year 2021 Individually Assigned Vehicle (IAV) Report to CMS. The report was submitted 29 days late.

The Code (44 Ill. Admin. Code 5040.340) requires the Department to report to CMS annually and when changes occur, vehicles assigned to specific individuals, including employee’s name, headquarters and residence, equipment number and license plate number of the assigned vehicle, and any additional information requested by CMS.

Department personnel indicated oil change and tire rotation exceptions were due to the effects of the pandemic and work from home arrangements. Department personnel also indicated the rest of the exceptions were due to competing priorities.

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

2022-025. **FINDING** (Inadequate Controls over Vehicles) - Continued

Failure to ensure vehicles are properly maintained could result in the State incurring unnecessary costs and additional repairs to, and shortened useful lives of, vehicles. Further, untimely submission of accident reports could delay accident investigations, impair the Department's ability to defend against claims, or delay settlements of claims made against the Department. Also, keeping underutilized vehicles in the fleet results in inefficient usage of resources. Additionally, failure to obtain annual certification from employees with personally assigned vehicles and failure to timely submit the IAV Report to CMS represents noncompliance with the Illinois Vehicle Code and the Illinois Administrative Code, respectively. (Finding Code No. 2022-025)

RECOMMENDATION

We recommend the Department implement controls to monitor its vehicles to ensure each vehicle receives the maintenance it needs to remain road worthy and safe. In addition, we recommend the Department ensure SR-1 reports are submitted to CMS within the required time frame. We also recommend the Department perform an analysis of its fleet to identify underutilized vehicles and timely transfer such vehicles to CMS for utilization of other State needs. Further, we recommend the Department obtain the annual certification from employees with personally assigned State vehicles and timely submit IAV reports to CMS.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and will continue to work on controls to monitor vehicles to ensure each vehicle receives the maintenance it needs to remain road-worthy and safe. In addition, the Department will work on ensuring SR-1 reports are submitted to CMS within required time frame, perform an analysis of the Department fleet, obtain the annual certification from employees with personally assigned State vehicles and timely submit IAV reports to CMS.

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

2022-026. **FINDING** (Inadequate Controls over Investment of Public Funds)

The Department of Natural Resources (Department) did not exercise adequate controls over its investment of public funds activities and related reporting.

The Korean Memorial and Purple Heart Fund (Fund), a locally held fund, was created from public contributions for the maintenance of the Korean War Memorial and Purple Heart Memorial. As of June 30, 2022, the fair value of the balance held in this Fund totaled \$174,473.

The Department did not implement an investment policy related to the investment of the Fund. By default, the Fund was subject to the State Treasurer’s Investment Policy Statement for the State Investments Portfolio (Policy). We noted the Department did not comply with the Policy as follows:

- The money management firm utilized by the Department was not listed as an approved broker by the State Treasurer.

Section 1.0 of the Policy states the policy applies to any State agency investment not under the control of the State Treasurer for which no other specific investment policy exists. Section 5.0 of the Policy limits investment broker/dealers with which State agencies may do business to those approved by the Treasurer.

- The Department did not maintain an adequate system of internal controls over investment of public funds.

Section 11.0 of the Policy requires a system of control and written operational procedures that shall be documented and filed with the State Treasurer’s Chief Internal Auditor for review. These controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by authorized investment officers.

In addition, we noted the Department did not post investment related information to its website each month during the examination period.

The Accountability for the Investment of Public Funds Act (Act) (30 ILCS 237/10) requires State agencies with authority to invest public funds, to report by the 15th of each month on the Internet the amount of funds held by the agency on the last day of the preceding month or the average daily balance for the preceding month, total monthly investment income and yield for all funds invested, the asset allocation of the investments made by the agency, and the agency’s approved broker.

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

2022-026. **FINDING** (Inadequate Controls over Investment of Public Funds) - Continued

This finding was first reported in Fiscal Year 2018. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to ensure adequate internal controls over investment of public funds.

Department personnel indicated the issues identified were due to staffing constraints.

Failure to comply with the State Treasurer’s Investment Policy may result in loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by authorized investment officers. In addition, failure to comply with the Act's provisions for public posting of investment information limits transparency related to the investment of public money by the State. (Finding Code No. 2022-026, 2020-019, 2018-020)

RECOMMENDATION

We recommend the Department develop an investment policy or ensure compliance with the existing State Treasurer’s Investment Policy. If complying with the State Treasurer’s Investment Policy, the Department should ensure the money management firm is listed as an approved broker by the State Treasurer and proper controls are established. We also recommend the Department post investment information on its website by the 15th of each month.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and will work on developing an investment policy or ensure compliance with the existing State Agency Investment Policy. Also, the Department will work on posting investment information on the Department website by the 15th of the month.

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

2022-027. **FINDING** (Inadequate Controls over Fuel Reconciliations)

The Department of Natural Resources (Department) did not maintain adequate controls over reconciliations of fuel at various sites.

The Department maintains fuel at 14 sites. During our testing of 43 monthly fuel reconciliations at seven sites, we noted the following:

- 24 (56%) fuel reconciliations did not contain any evidence of supervisory review and approval.
- 14 (33%) fuel reconciliations contained mathematical and summarization errors resulting in inaccurate monthly reconciliations.
- Four (9%) fuel reconciliations were performed without using stick measurements in the reconciliation process.
- One (2%) fuel reconciliation had a shortage that did not have documentation supporting management’s investigation of the shortage.

The Department’s policy requires on the first day of the month, prior to any fuel pumped, each site to take a meter reading at the pump, record the reading on the Monthly Fuel Reconciliation form, or, if no meter, take a stick reading and record the amount in gallons. Totals from fuel logs and totals pumped from meter should be relatively close, if all fuel is recorded, and there are no problems with the meters. If a site does not have an accurate meter, the site can use a stick to maintain the reading. Fuel usage will be reconciled monthly between the logbook and the meter. Any variance of 25 gallons or more will be investigated by the Site Superintendent, and a memo will be kept on file explaining the reason for the variance.

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 expenditures and resources 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 Fiscal Year 2010. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over fuel reconciliations.

Department personnel indicated, as they did in the prior year, the deficiencies noted were due to lack of staff and competing priorities.

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

2022-027. **FINDING** (Inadequate Controls over Fuel Reconciliations) - Continued

Failure to properly prepare and review fuel reconciliations impairs each site's ability to determine whether overages or shortages are occurring from leaks, unauthorized withdrawals, or misreported fuel deliveries and usages. (Finding Code No. 2022-027, 2020-020, 2018-021, 2016-013, 2014-006, 12-4, 10-4)

RECOMMENDATION

We recommend the Department ensure all fuel reconciliations are properly completed and reviewed, any overages or shortages are investigated, and the results of any such investigations are fully documented.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and will work to ensure all fuel reconciliations are properly completed and reviewed, any overages or shortages are investigated, and the results of the investigations are fully documented.

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

2022-028. **FINDING** (Inadequate Controls over Overtime)

The Department of Natural Resources (Department) did not exercise adequate control over employees' overtime.

The Department paid overtime totaling \$1,106,514 and \$1,527,112 during Fiscal Years 2021 and 2022, respectively. During our testing of 40 overtime payments, we noted the following:

- 33 (83%) overtime payments were not timely authorized and approved prior to working overtime, ranging from one to 33 days late.
- One (3%) overtime payment was inaccurately calculated by \$27.
- One (3%) overtime payment, totaling \$264, was not authorized and approved prior to working overtime.
- For one (3%) overtime payment, totaling \$700, the Authorization for Work Hours and Pay Variance Form could not be located. As such, we were unable to determine whether the overtime payment was authorized and approved prior to working.

The Department's *Timekeeping Handbook*, Section 21, requires all overtime be authorized and approved in advance, except in emergency situations. An Authorization for Work Hours and Pay Variance Form is the official document on which overtime is authorized and approved.

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 and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

This finding was first reported in Fiscal Year 2014. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over overtime.

Department personnel indicated the conditions noted were due to competing priorities for the responsible personnel.

Failure to follow the Department's *Timekeeping Handbook* regarding overtime increases the risk the Department will pay for services not rendered by employees or errors in overtime calculations are not timely detected. (Finding Code No. 2022-028, 2020-023, 2018-014, 2016-012, 2014-013)

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

2022-028. **FINDING** (Inadequate Controls over Overtime) - Continued

RECOMMENDATION

We recommend the Department enforce its policies concerning the prior approval, documentation of employee overtime, and proper calculation of overtime.

DEPARTMENT RESPONSE

The Department agrees with the recommendation to enforce the Department policies concerning the prior approval, documentation of employee overtime and proper calculation of overtime.

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

2022-029. **FINDING** (Inadequate Controls over Employee Performance Evaluations)

The Department of Natural Resources (Department) did not exercise adequate control over employee performance evaluations.

During our testing of 53 employees' annual performance evaluations, we noted the following:

- 31 (58%) employees' annual performance evaluations were not completed.
- Ten (19%) employees' annual performance evaluations were not timely completed, with evaluations performed two to 436 days late.
- One (2%) employee's annual performance evaluation was not signed by the Agency Head.

Further, we noted ten of 32 (31%) employees' probationary period evaluations were not completed.

The Illinois Administrative Code (Code) (80 Ill. Admin. Code 302.270(d)) requires the Department to prepare performance evaluations at least annually for each certified employee.

In addition, the Department's Policy and Procedure Manual (Chapter 3, Section 3c-4) requires supervisors to complete an evaluation of each respective subordinate staff member annually. Further, the Department's Policy and Procedure Manual requires the Department to complete performance evaluations of employees at the end of three months and again prior to the end of the employee probationary period. These evaluations must be completed and submitted to the Human Resources Division three weeks prior to the end of the six-month probationary period.

Department personnel indicated the failure to complete or timely complete performance evaluations was due to staffing constraints and the lack of enforcement actions against supervisors who are not completing their staff's evaluations timely.

Employee performance evaluations are a systematic and uniform approach used for the development of employees and to communicate performance expectations. Employee performance evaluations should serve as a foundation for a salary adjustments, promotions, demotions, discharges, layoffs, recall, and reinstatement decisions. (Finding Code No. 2022-029, 2020-027)

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

2022-029. **FINDING** (Inadequate Controls over Employee Performance Evaluations) -
Continued

RECOMMENDATION

We recommend the Department evaluate its procedures for monitoring and enforcing employee performance evaluations to ensure the evaluations are timely completed.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and will evaluate procedures for monitoring and enforcing performance evaluations to ensure the evaluations are timely completed.

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

2022-030. **FINDING** (Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems)

The Department of Natural Resources (Department) had not provided adequate planning for the recovery of its applications and data.

The Department carries out its mission through the use of Information Technology. During our examination, we requested the Department provide their disaster recovery plan which would document the detailed steps needed to recover their applications and data. However, the Department was unable to provide their recovery plan. In addition, the Department did not conduct recovery testing during the examination period.

Although the Department utilized the Department of Innovation and Technology (DoIT) as their information technology service provider, the Department has a shared responsibility with the service provider to ensure the security, availability, and integrity of its applications and data.

The *Contingency Planning Guide for Information Technology Systems* published by the National Institute of Standards and Technology 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 all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

This finding was first reported in Fiscal Year 2012. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to establish a disaster recovery plan and test the plan.

Department personnel indicated DoIT was responsible for their recovery needs.

Without an adequately documented and tested disaster recovery plan, the Department cannot ensure its critical systems could be recovered within an acceptable period, and therefore minimizing the impact associated with a disaster. (Finding Code No. 2022-030, 2020-028, 2018-008, 2016-006, 2014-014, 12-12)

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

2022-030. **FINDING** (Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems) - Continued

RECOMMENDATION

We recommend the Department work with DoIT to obtain a detailed understanding of each entity's responsibilities related to the recovery of the Department's applications and data. Further, we recommend the Department develop a detailed disaster recovery plan documenting detailed steps in order to recover their applications and data. Once the plan has been developed and implemented, the Department should ensure the plan is tested at least annually.

DEPARTMENT RESPONSE

The Department agrees with the recommendation and will work with DoIT to obtain a detailed understanding of each entity's responsibilities related to the recovery of the applications and data.

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

2022-031. **FINDING** (Weaknesses with Payment Card Industry Data Security Standards)

The Department of Natural Resources (Department) did not ensure compliance with the Payment Card Industry Data Security Standards (PCI DSS).

The Department contracted with a service provider to develop, implement, operate and manage a standard web-based enterprise solution which allows citizens to purchase licenses, permits, and to make reservations at State campgrounds.

Through the web-based solution, the Department sold various types of privileges, including but not limited to: hunting and fishing licenses; trail passes; permits; watercraft and snowmobile registrations and renewals; commercial licenses; and camping reservations. The Department accepted credit card payments for these privileges totaling \$32,174,827 and \$25,134,105 for Fiscal Years 2021 and 2022, respectively. Credit card payments were accepted by the Department via point-of-sale terminals and the Internet.

During testing, we noted the Department had not:

- formally assessed each program accepting credit card payments, the methods in which payments could be made, matched these methods to the appropriate Self-Assessment Questionnaire (SAQ), and contacted service providers and obtained relevant information and guidance as deemed appropriate.
- completed a SAQ addressing all elements of its environment utilized to store, process, and transmit cardholder data.

PCI DSS was developed to detail security requirements for entities that store, process, or transmit cardholder data. Cardholder data is any personally identifiable data associated with a cardholder. To assist in the assessments of environment, the Payment Card Industry (PCI) Council established SAQs for validating compliance with PCI core requirements.

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

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

2022-031. **FINDING** (Weaknesses with Payment Card Industry Data Security Standards) -
Continued

This finding was first reported in Fiscal Year 2016. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures over compliance with PCI DSS requirements.

Department personnel indicated the Department's failure to demonstrate compliance with PCI DSS requirements was due to limited staffing resources and lack of sufficient knowledge on the requirements of the relevant standards.

Failure to ensure compliance with PCI DSS increases the risk of unauthorized disclosure and unintended use of confidential information. (Finding Code No. 2022-031, 2020-029, 2018-009, 2016-007)

RECOMMENDATION

We recommend the Department assess each program accepting credit card payments, the methods in which payments can be made, and match these methods to the appropriate SAQ and complete those SAQs at least annually.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will continue working on the Self-Assessment Questionnaires.

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

2022-032. **FINDING** (Failure to Issue Off-Highway Vehicle Usage Stamps)

The Department of Natural Resources (Department) failed to issue Off-Highway Vehicle Usage Stamps and collect related monies in accordance with the Recreational Trails of Illinois Act.

The Recreational Trails of Illinois Act (Act) (20 ILCS 862/26) requires the Department to ensure no person, on or after July 1, 2013, operates any off-highway vehicle within the State unless the off-highway vehicle has attached an Off-Highway Vehicle Usage Stamp purchased and displayed in accordance with the provisions of the Act. In addition, the Department shall deposit the proceeds from stamp sales into the Park and Conservation Fund and the Conservation Police Operations Assistance Fund.

This finding was first reported in Fiscal Year 2014. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to ensure compliance with the Act.

Department personnel indicated the Department has agreed not to issue stamps as there was strong public opposition when this proposal was presented to the public.

Failure to issue Off-Highway Vehicle Usage Stamps and to collect related fees reduces the State funds available in the Conservation Police Operations Assistance Fund, and the Park and Conservation Fund. (Finding Code No. 2022-032, 2020-025, 2018-006, 2016-004, 2014-003)

RECOMMENDATION

We recommend the Department issue Off-Highway Vehicle Usage Stamps and collect the related fees or seek legislative remedy to remove the requirement to issue off-highway vehicle usage stamps from the Department's mandated duties.

MANAGEMENT RESPONSE

The Department agrees with the recommendation to issue Off-Highway Vehicle Usage Stamps and collect the related fees or seek legislative remedy to remove the requirement to issue off-highway vehicle usages stamps from the Department mandated duties.

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

2022-033. **FINDING** (Inadequate Controls over Telecommunications)

The Department of Natural Resources (Department) did not exercise adequate controls over assignments and cancellations of Wireless Communication Devices (WCD).

Assignment of WCD

The Department assigned a total of 267 WCDs to employees during Fiscal Years 2021 and 2022. During testing of 25 WCDs, the Department failed to provide the Telecommunication Service Request (TSR) for 25 (100%) WCDs. As such, we could not determine if WCDs were properly approved before assigning those to employees during the examination period.

Cancellation of WCD

The Department disabled 72 WCDs in Fiscal Years 2021 and 2022. During testing of eight WCDs, the Department failed to provide the completed TSR form or Offboarding Memo/Notice of Termination/Retirement Certification for eight (100%) WCDs. As such, we could not determine if WCDs were timely cancelled during the examination period.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State.

Further, the Department of Central Management Services' (CMS) Wireless Communication Device (WCD) Policy (Policy) requires when an employee no longer has a need for a WCD, whether due to separation from State service, change in duties or position, lack of use or for any other reason as determined by the Department or in consultation with CMS, the employee has to return the WCD. Moreover, the Policy requires the Agency Telecommunication Coordinator to be responsible for securing the return of the WCDs issued to an employee who no longer has a need for the WCD.

Department personnel indicated the exceptions were due to staffing constraints.

Failure to maintain and provide the requested information inhibits the auditors from completing the procedures and providing useful and relevant feedback to the General Assembly and is considered noncompliance with State statutes. (Finding Code No. 2022-033)

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

2022-033. **FINDING** (Inadequate Controls over Telecommunications) - Continued

RECOMMENDATION

We recommend the Department designate a telecommunications coordinator to ensure WCDs are properly assigned and cancelled as applicable, and records are maintained and made available upon request.

DEPARTMENT RESPONSE

The Department agrees with the recommendation to designate a telecommunications coordinator to ensure WCDs are properly assigned and cancelled as applicable and records are maintained and made available upon request.

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

2022-034. **FINDING** (Failure to Comply with the Department of Natural Resources Conservation Law)

The Department of Natural Resources (Department) did not comply with the Department's Conservation Law.

The Department accepts consultations for natural resource reviews to help State agencies, local government units and the public to consider the potential adverse effects of proposed actions on Illinois endangered and threatened species and sites. For 39 of 40 (98%) consultations tested, we noted the Department did not assess a \$100 fee for consultations provided during the Fiscal Years 2021 and 2022.

The Department of Natural Resources (Conservation) Law (20 ILCS 805/805-555(b)) requires the Department to assess a \$100 fee for consultations conducted under subsection (b) of Section 11 of the Illinois Endangered Species Protection Act and Section 17 of the Illinois Natural Areas Preservation Act.

Department personnel indicated they were not charging State agencies for consultation fees. The Department personnel also indicated the documentation directing staff not to charge State agencies the consulting fees had been lost due to staff turnover.

Failure to comply with the Conservation Law results in lost revenues to the Department from consultation fees. (Finding Code No. 2022-034)

RECOMMENDATION

We recommend the Department assess consultation fees to comply with the provisions of the Conservation Law.

DEPARTMENT RESPONSE

The Department agrees with the recommendation to assess consultation fees to comply with the provisions of the Conservation Law or seek legislative remedy.

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

2022-035. **FINDING** (Failure to Comply with the Department of Natural Resources Act)

The Department of Natural Resources (Department) did not comply with the Department of Natural Resources Act.

During our testing, we noted the following:

- The Department’s Office of Mines and Minerals (Office) did not fill a manager position.

The Department of Natural Resources Act (Act) (20 ILCS 801/10-5(b)) requires the Office of Mines and Minerals to have a manager who is thoroughly conversant with the theory and practice of coal mining in the State of Illinois.

- The Department did not provide a report to the General Assembly that includes an analysis of the effect of the transfer of the powers and duties from the Historic Preservation Agency to the Department and recommendations for further legislation relating to the implementation of the reorganization in accordance with the Act.

The Act (20 ILCS 801/1-45) requires the Department, on or before December 31, 2018 and annually thereafter for 3 calendar years, to provide a report to the General Assembly that includes an analysis of the effect of the transfer of the powers and duties from the Historic Preservation Agency to the Department had on State government and State taxpayers. The report should include recommendations for further legislation relating to the implementation of the reorganization. A copy of each report has to be filed with the General Assembly.

Department personnel indicated the failure to fill the manager position was due to COVID-19 pandemic and the limited pool of available qualified candidates. In addition, Department personnel indicated the failure to provide a report to the General Assembly was due to competing priorities and oversight.

The vacancy in the manager’s position within the Office of Mines and Minerals may hinder the Office’s ability to fulfill its functions. Failure to submit a report to the General Assembly regarding the transfer of powers and duties of the Historic Preservation Agency to the Department inhibits the General Assembly to exercise its oversight function. (Finding Code No. 2022-035)

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

2022-035. **FINDING** (Failure to Comply with the Department of Natural Resources Act) -
Continued

RECOMMENDATION

We recommend the Department continue its efforts to fill the Office manager position. In addition, we recommend the Department prepare and provide the reports to the General Assembly that includes an analysis of the effects of the transfer of the power and duties from the Historic Preservation Agency to the Department.

DEPARTMENT RESPONSE

The Department agrees with the recommendations. The Department will continue its efforts to fill the Office manager position and will provide the report to the General Assembly on the effects of the transfer of HPA to the Department.

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

2022-036. **FINDING** (Failure to Review and Update a Comprehensive Energy Plan)

The Department of Natural Resources (Department) did not analyze, prepare, and recommend a comprehensive energy plan in accordance with the Energy Policy and Planning Act (Act).

During our testing, we noted the Department did not perform the duties required by the Act.

The Act (20 ILCS 1120/4) requires the Department to analyze, prepare, and recommend a comprehensive energy plan for the State of Illinois, which includes:

- identifying emerging trends related to energy supply, demand, conservation, public health, and safety factors;
- specifying the levels of Statewide and service area energy needs;
- specifying past, present, and estimated future demand; and,
- specifying the potential social, economic, or environmental effects caused by the continuation of existing trends and by the various alternatives available to the State.

Further, the Act (20 ILCS 1120/4) requires the Department to periodically review the plan, objectives, and programs at least every two years, with the results of the review and any resulting changes filed with the Illinois Commerce Commission, the Governor, the General Assembly, and the Public Counsel.

Department personnel indicated a comprehensive energy plan was not within the Department's purview. Department personnel also indicated the Department attempted to remove this mandate in prior years but was not successful in passing legislation.

Failure to analyze, prepare and recommend a comprehensive energy plan for the State and periodically review and update it represents noncompliance with the Act. (Finding Code No. 2022-036)

RECOMMENDATION

We recommend the Department either comply with the Act or seek legislative remedy.

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

2022-036. **FINDING** (Failure to Review and Update a Comprehensive Energy Plan)
Continued

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department will seek a revision of the Energy Policy and Planning Act legislation to move responsibility for reviews and updates to the comprehensive energy plan to the Department of Commerce and Economic Opportunity.

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

2022-037. **FINDING** (Required Reports Not Properly and Timely Completed)

The Department of Natural Resources (Department) did not ensure required reports were properly and timely completed.

The Department did not accurately prepare the Annual Certification of Inventory (Certification) submitted to the Department of Central Management Services (DCMS). During testing of Certifications, we noted the following:

Fiscal Year 2021

- The Department reported the value of total inventory as \$103,757,925 instead of \$117,944,694 and the number of items of total inventory as 13,372 instead of 57,013.
- The Department reported an inventory discrepancy of \$53,101 instead of \$88,681 and the count of missing items as 21 instead of 130 items. In addition, the Department reported the value of total inventory of locations with discrepancies as \$8,638,467 instead of \$10,326,472 and the number of items of total inventory with discrepancies as 2,105 instead of 7,457. As a result, the Department reported erroneous discrepancy ratios of 0.6% for the value of inventory and 1.0% for number of items instead of 0.9% and 1.7%, respectively. These discrepancies could trigger re-examination and a written explanation and/or onsite investigation from DCMS.

Fiscal Year 2022

- The Department reported an inventory discrepancy of \$61,999 instead of \$76,497 and the count of missing items as 29 instead of 84 items. As a result, the Department reported erroneous discrepancy ratios of 1.1% for the value of inventory and 0.7% for number of items instead of 1.4% and 2.0%, respectively. These discrepancies could trigger re-examination and a written explanation and/or onsite investigation from DCMS.

We noted the above discrepancies resulted from the exclusion of inventories with a value of less than \$1,000 that are highly susceptible to theft.

Additionally, we noted the Department did not timely file the Accounting for Leases-Lessor (SCO-561) forms with the Office of Comptroller. During our testing, we noted 25 of 25 (100%) SCO-561 forms were not timely filed with the Office of Comptroller; the forms were filed 38 to 41 days late.

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

2022-037. **FINDING** (Required Reports Not Properly and Timely Completed) - Continued

The Illinois Administrative Code (44 Ill. Admin. Code 5010.490 (a) and (f)) requires the Department to report all discrepancies between the previous certificate of inventory certification and the current inventory to DCMS. The DCMS requires re-examination and written explanation, and/or on-site investigations for unusually large discrepancies.

Also, the Department's policies and procedures for property control requires all items of equipment with acquisition value of less than \$1,000 are not required to be reported to DCMS, except that all firearms, vehicles, antiques, and other items subject to theft must be reported regardless of acquisition cost.

Further, the Statewide Accounting Management System (Procedure 27.20.61) requires all agencies who lease property to complete SCO-561 form for multiple-period leases. Form SCO-561 is required to be filed with the Office of Comptroller within 15 days after the lease is initiated or a change to the initial lease.

Additionally, 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, and maintain accountability over the State's resources.

Department personnel indicated the errors in the Certifications were due to a misunderstanding of the reporting requirements and the failure to file SCO-561 forms timely was due to lack of staff and competing priorities.

Failure to prepare an accurate Annual Inventory Certification may inhibit the oversight function of the State to regulate the accountability and control of the State-owned property. In addition, failure to timely file SCO-561 inhibits the Office of Comptroller from promptly determining the appropriate value of the lease receivable to be recorded by the Department. (Finding Code No. 2022-037, 2020-017)

RECOMMENDATION

We recommend the Department review the reporting requirements to ensure accurate information is reported on the Annual Inventory Certification. In addition, we recommend the Department timely file SCO-561 forms with the Office of Comptroller.

DEPARTMENT RESPONSE

The Department agrees with the recommendation to review the reporting requirements to ensure accurate and adequate information is reported on the Annual Inventory Certification and will timely file SCO-561 forms with the Office of Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS - PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2022

A. **FINDING** (Inadequate Control over Capital Assets)

During the prior examination, the Department of Natural Resources (Department) did not maintain adequate control over its capital assets. Specifically, we noted the Department did not reconcile the ERP reports with the legacy system reports during the transition from its legacy system to the ERP system. Also, the Department did not exercise adequate control and oversight over the preparation of the Capital Asset Summary (SCO-538) resulting in an inaccurate SCO-538 submitted to the Office of Comptroller.

During the current examination, our sample testing indicated the Department reconciled its capital asset records and exercised adequate control over the preparation of the SCO-538 submitted to the Office of Comptroller. (Finding Code No. 2020-001)

B. **FINDING** (Inaccurate and Incomplete Agency Workforce Reports)

During the prior examination, the Department did not ensure its Agency Workforce Reports were accurately completed and timely submitted to the Office of the Governor and the Secretary of State.

During the current examination, the Department timely submitted its Agency Workforce Reports to the Office of the Governor and the Secretary of State. However, we have identified exceptions that were considered not significant; thus, the exceptions were reported in the Department's *Report of Immaterial Findings*. (Finding Code No. 2020-022, 2018-013, 2016-011)

C. **FINDING** (Noncompliance with the Non-Game Wildlife Protection Act)

During the prior examination, the Department did not comply with the provisions of the Illinois Non-Game Wildlife Protection Act.

During the current examination, the Department had committed or expended 5% of the Illinois Wildlife Preservation Fund balances on grants for the maintenance of wildlife rehabilitation facilities during Fiscal Years 2021 and 2022. (Finding Code No. 2020-026)