



**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023**

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

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023**

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**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
COMPLIANCE EXAMINATION
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AGENCY OFFICIALS

Speaker of the House	Emanuel Welch
Minority Leader (01/11/2023 to Present) (07/01/2021 to 01/10/2023)	Tony McCombie Jim Durkin
Clerk of the House	John Hollman
Assistant Clerk of the House	Bradley Bolin
House Fiscal Officers: Democratic Leadership	Henry Harms
Republican Leadership (03/25/2022 to Present) (Interim) (01/07/2022 to 03/24/2022) (07/01/2021 to 01/06/2022)	Melissa Thomas Melissa Thomas Beverly Marshall
Office of the Clerk (01/01/2023 to Present) (07/01/2021 to 12/31/2022)	Kirk Walker Nancy Daugherty

AGENCY OFFICES

Agency offices are located at:

Office of the Speaker of the House
300 State Capitol Building
Springfield, IL 62706

Office of the Minority Leader
316 State Capitol Building
Springfield, IL 62706

Office of the Clerk of the House
420 State Capitol Building
Springfield, IL 62706

SPRINGFIELD OFFICE
ROOM 306, SENATE HOUSE
SPRINGFIELD, ILLINOIS
217-786-5150



District Office
4055 W. ROOSEVELT RD. STE. 1
WESTCHESTER, IL 60591

ILLINOIS HOUSE OF REPRESENTATIVES
EMANUEL "CHRIS" WELCH
SPEAKER

September 11, 2024

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

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, General Assembly, Illinois House of Representatives – Democratic Leadership (House – Democratic Leadership). 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 House – Democratic Leadership’s compliance with the following specified requirements during the two-year period ended June 30, 2023. Based on this evaluation, we assert that during the years ended June 30, 2022, and June 30, 2023, the House – Democratic Leadership has materially complied with the specified requirements listed below.

- A. The House – Democratic Leadership 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 House – Democratic Leadership 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 House – Democratic Leadership 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 House – Democratic Leadership 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 House – Democratic Leadership on behalf of the State or held in trust by the House – Democratic Leadership 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, General Assembly, Illinois House of Representatives – Democratic Leadership

SIGNED ORIGINAL ON FILE

Tiffany Moy, Chief of Staff

SIGNED ORIGINAL ON FILE

Henry Harms, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Kendra Piercy, General Counsel

ILLINOIS HOUSE OF REPRESENTATIVES

District Office:

9317B IL Rte 84
Savanna, IL 61074
Phone: 815-291-8989



Springfield Office:

316 State House
Springfield, IL 62706
Phone: 217-782-3992

Tony McCombie
State Representative • 89th District
House Minority Leader

MANAGEMENT ASSERTION LETTER

September 11, 2024

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

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, General Assembly, Illinois House of Representatives – Republican Leadership (House – Republican Leadership). 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 House – Republican Leadership’s compliance with the following specified requirements during the two-year period ended June 30, 2023. Based on this evaluation, we assert that during the years ended June 30, 2022, and June 30, 2023, the House – Republican Leadership has materially complied with the specified requirements listed below.

- A. The House – Republican Leadership 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 House – Republican Leadership 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 House – Republican Leadership 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 House – Republican Leadership 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 House – Republican Leadership on behalf of the State or held in trust by the House – Republican Leadership 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, General Assembly, Illinois House of Representatives – Republican Leadership

SIGNED ORIGINAL ON FILE

Andrew Freiheit, Chief of Staff

SIGNED ORIGINAL ON FILE

Melissa Thomas, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Derek Persico, Chief Legal Counsel



JOHN W. HOLLMAN
CLERK

BRAD BOLIN
ASSISTANT CLERK

ILLINOIS HOUSE OF REPRESENTATIVES
OFFICE OF THE CLERK



EMANUEL "CHRIS" WELCH
SPEAKER

September 11, 2024

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

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, General Assembly, Illinois House of Representatives – Office of the Clerk (House – Office of the Clerk). 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 House – Office of the Clerk's compliance with the following specified requirements during the two-year period ended June 30, 2023. Based on this evaluation, we assert that during the years ended June 30, 2022, and June 30, 2023, the House – Office of the Clerk has materially complied with the specified requirements listed below.

- A. The House – Office of the Clerk 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 House – Office of the Clerk 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 House – Office of the Clerk 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 House – Office of the Clerk 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 House – Office of the Clerk on behalf of the State or held in trust by the House – Office of the Clerk 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, General Assembly, Illinois House of Representatives – Office of the Clerk

SIGNED ORIGINAL ON FILE

John Hollman, Clerk of the House

SIGNED ORIGINAL ON FILE

Kirk Walker, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Kendra Piercy, General Counsel

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023**

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	4	3
Repeated Findings	2	0
Prior Recommendation Implemented or Not Repeated	1	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2023-001	14	2021/2021	Inadequate Controls over Eligibility Verification Forms	Significant Deficiency and Noncompliance
2023-002	15	New	Inadequate Controls over Employee Trainings	Significant Deficiency and Noncompliance
2023-003	17	2021/2021	Inadequate Controls over Cybersecurity Programs	Significant Deficiency and Noncompliance
2023-004	21	New	Inadequate Controls over the Review of Internal Controls for Service Providers	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023**

SCHEDULE OF FINDINGS (Continued)

Prior Finding Not Repeated

A	24	2021/2021	Inadequate Controls over Monthly Reconciliations
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with House of Representatives (House) – Office of the Clerk of the House personnel at an exit conference on August 29, 2024; with House Republican Leadership personnel on September 4, 2024; and with House Democratic Leadership personnel on September 5, 2024.

Attending were:

Illinois General Assembly – House of Representatives: Office of the Clerk of the House

John Hollman	Clerk of the House
Tiffany Moy	Chief of Staff, Office of the Speaker
Kirk Walker	Chief Fiscal Officer, Office of the Clerk of the House

Illinois General Assembly – House of Representatives: Republican Leadership

Andrew Freiheit	Chief of Staff, Republican Leadership
Melissa Thomas	Chief Fiscal Officer, Republican Leadership
Gary Brown	Senior IT Administrator, Republican Leadership

Illinois General Assembly – House of Representatives: Democratic Leadership

Tiffany Moy	Chief of Staff, Office of the Speaker
Henry Harms	Chief Fiscal Officer, Office of the Speaker

Office of the Auditor General

Lisa Warden	Senior Audit Manager
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Adelfia LLC

Stella Marie Santos	Managing Partner
Ana Liza Ausan	Partner
Princess de Leon	Audit Supervisor
Gionelle Ceniza	Senior IS Specialist

**STATE OF ILLINOIS
GENERAL ASSEMBLY
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The responses to the recommendations were provided by Melissa Thomas, Chief Fiscal Officer – Republican Leadership; Henry Harms, Chief Fiscal Officer – Democratic Leadership; and John Hollman, Clerk of the House – Office of the Clerk of the House, in correspondences dated September 6, 9, and 11, 2024.



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, General Assembly – House of Representatives (House of Representatives) 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, 2023. Management of the House of Representatives is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the House of Representatives’ compliance with the specified requirements based on our examination.

The specified requirements are:

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

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

Our examination does not provide a legal determination on the House of Representatives' compliance with the specified requirements.

In our opinion, the House of Representatives complied with the specified requirements during the two years ended June 30, 2023, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2023-001 through 2023-004.

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

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

Report on Internal Control Over Compliance

Management of the House of Representatives 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 House of Representatives' internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the House of Representatives' compliance with the specified requirements and to test and report on the House of Representatives' internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the House of Representatives' internal control. Accordingly, we do not express an opinion on the effectiveness of the House of Representatives' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001 through 2023-004 that we consider to be significant deficiencies.

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

The House of Representatives' responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The House of Representatives' 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
September 11, 2024

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-001. **FINDING** (Inadequate Controls over Employment Eligibility Verification Forms)

The Illinois General Assembly – House of Representatives did not document timely completion and approval of Employment Eligibility Verification Forms (I-9 Forms).

During our testing, we noted the following exceptions:

- For one of 14 (7%) Office of the Clerk of the House (Office) employees tested, the Form I-9 was not signed and dated by either the employee or employer representative.
- For two of 14 (14%) Office employees tested, the Form I-9 was not signed and dated by the employer representative.

The Code of Federal Regulations (Code) (8 C.F.R. § 274a.2) requires employers to ensure employees properly complete Form I-9 at the time of hire and sign the attestation with a handwritten or electronic signature. The US Citizenship and Immigration Service defined the time of hire as the first day an employee starts work for pay. The employer is required to complete the “Employer Review and Verification” on the Form I-9 within three business days of hire and sign the attestation with a handwritten or electronic signature.

Office management stated the missing signatures were due to oversight.

Failure to maintain adequate controls to ensure timely completion and approval of required employment forms could result in employment of unauthorized individuals. (Finding Code No. 2023-001, 2021-001)

RECOMMENDATION

We recommend the Office strengthen internal controls to ensure employment forms are timely completed and approved and documentation thereof is maintained in personnel files.

AGENCY RESPONSE – OFFICE OF THE CLERK OF THE HOUSE

We concur that three I-9 Forms were not properly signed and will ensure employment forms in the personnel files are properly maintained in the future.

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-002. **FINDING** (Inadequate Controls over Employee Trainings)

The Illinois General Assembly – House of Representatives (House) did not maintain adequate controls to ensure timely employee completion of mandatory training.

During our testing, we noted the following exceptions:

- Three of 14 (21%) Office of the Clerk of the House employees, 5 of 13 (38%) Democratic Leadership Office (Democratic) employees, and 1 of 12 (8%) Republican Leadership Office (Republican) employees tested did not complete ethics training within 30 days of employment or did not complete annual ethics training for 2022.
- One of 13 (8%) Democratic employees and 1 of 11 (9%) Republican employees tested did not complete sexual harassment training within 30 days of employment.

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/5-10(a)) requires all officers, members, and employees to complete annual ethics training. The Act (5 ILCS 430/5-10(c)) also requires a person who fills a vacancy in an elective or appointed position or is employed in a position requiring ethics training to complete his or her initial ethics training within 30 days after commencement of his or her office or employment.

The Act (5 ILCS 430/5-10.5) requires each officer, member, and employee must complete, at least annually, a sexual harassment training program until 2020 and a harassment and discrimination prevention training program beginning in 2020. The Act also requires a person who fills a vacancy in an elective or appointed position requiring harassment and discrimination prevention training to complete his or her initial training program within 30 days after commencement of his or her office or employment.

House management stated delayed and missed trainings were due to employee oversight.

Employees who have not completed required ethics or sexual harassment training may lack an understanding of their legal rights and responsibilities and could pose an increased risk of violation and legal implications. (Finding Code No. 2023-002)

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-002. **FINDING** (Inadequate Controls over Employee Trainings) (Continued)

RECOMMENDATION

We recommend the House strengthen controls to monitor and follow up on mandatory employee training to ensure timely completion by all employees.

AGENCY RESPONSE – HOUSE DEMOCRATIC LEADERSHIP

The House – Democratic Leadership concurs with this finding and will ensure sexual harassment and ethics training for new employees will be completed within 30 days of employment in the future.

AGENCY RESPONSE – HOUSE REPUBLICAN LEADERSHIP

We accept the finding. One single employee failed to return their certification for completion of Ethics and Harassment/Discrimination trainings. The employee verified via email that the trainings were completed within the 30-day requirement. When physical certifications were received in the Fiscal office the completion/signature dates were beyond the required time frame.

AGENCY RESPONSE – OFFICE OF THE CLERK OF THE HOUSE

We have strengthened our tracking systems for completion certificates for mandatory trainings.

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-003. **FINDING** (Inadequate Controls over Cybersecurity Programs)

The Illinois General Assembly – House of Representatives (House) had not implemented adequate internal controls related to cybersecurity programs, practices, and control of confidential information.

The Illinois General Assembly’s principal activities are enacting, amending, or repealing laws, passing resolutions, adopting appropriation bills, and conducting inquiries on proposed legislation. To assist in conducting and supporting its operations, the House maintains information to use in its operations which contains confidential and personal information.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the House’s cybersecurity program, practices and control of confidential information, we noted the House had not:

- Developed a formal, comprehensive, adequate, and communicated security program (including policies, procedures, and processes as well as clearly defined responsibilities over the security of computer programs and data) to manage and monitor the regulatory, legal, environmental and operational requirements.
- Developed a risk management methodology, conducted a comprehensive risk assessment, or implemented risk reducing internal controls.
- Classified its data to identify and ensure adequate protection of information.
- Required periodic reviews of user access to their applications and data.
- Maintained documentation that 3 of 41 (7%) operations employees of the Office of the Clerk of the House (Office) in Fiscal Year 2023 completed cybersecurity training.

The *Framework for Improving Critical Infrastructure Cybersecurity* and the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology 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.

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-003. **FINDING** (Inadequate Controls over Cybersecurity Programs) (Continued)

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 to maintain accountability over the State’s resources.

House management indicated that during the examination period, they thought their security practices were sufficient to satisfy their responsibilities.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the House’s confidential information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2023-003, 2021-002)

RECOMMENDATION

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

- Develop a formal, comprehensive, adequate, and communicated security program to manage and monitor the regulatory, legal, environmental, and operational requirements.
- Develop a risk management methodology, conduct a comprehensive risk assessment, and implement risk reducing internal controls.
- Develop a data classification methodology.
- Perform and document periodic reviews of user access to their applications and data.
- Provide cybersecurity training to all Office employees upon hiring and annually thereafter.

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-003. **FINDING** (Inadequate Controls over Cybersecurity Programs) (Continued)

AGENCY RESPONSE – HOUSE DEMOCRATIC LEADERSHIP

The House – Democratic Leadership accepts the recommendations to strengthen its cybersecurity programs and practices. The House – Democratic Leadership will continue to review our cybersecurity programs and practices and improve on them to protect sensitive information.

AGENCY RESPONSE – HOUSE REPUBLICAN LEADERSHIP

We accept that the House Republican Leadership is responsible for improved documentation of section 2023-003. During, prior to this audit and continuing, we have internal procedures and practices in place that are reviewed frequently. We have implemented a written documentation protocol of procedures and practices in place.

AGENCY RESPONSE – OFFICE OF THE CLERK OF THE HOUSE

This finding fails to cite any mandatory standards for cybersecurity programs, practices, or controls of confidential information for the Illinois General Assembly - House of Representatives.

The House Democratic Leadership maintains a highly secure computer environment that safeguards confidential and personal information from attacks and unauthorized disclosure. During the audit period, the House Democratic Leadership maintained protections with multiple layers of security including, but not limited to, stringent network access requirements, firewalls, continuous anti-virus/malware scanning and security monitoring, and email encryption. Further, the House Democratic Leadership required employees to complete cybersecurity training annually and conducted regular simulated phishing attacks to gauge awareness and compliance.

The cybersecurity practices and controls for the Office of the Clerk are managed by the Legislative Information System ("LIS"), which is the agency tasked by law to provide computer services and technical guidance to the General Assembly and its committees, commissions and agencies. The Executive Director of LIS has confirmed that LIS has performed the recommended actions for the IT infrastructure and systems used by the Office of the Clerk.

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-003. **FINDING** (Inadequate Controls over Cybersecurity Programs) (Continued)

AGENCY RESPONSE – OFFICE OF THE CLERK OF THE HOUSE
(Continued)

While cybersecurity practices cited and recommended are not mandated under federal or state law, Illinois General Assembly - House of Representatives, will work with LIS and its employees to review cybersecurity programs, practices, and control of confidential information and improve on them as needed to protect sensitive information.

ACCOUNTANT’S COMMENT – OFFICE OF THE CLERK OF THE HOUSE

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 to maintain accountability over the State’s resources. In today’s environment where information technology is integral to operations, an overall system of internal controls includes cybersecurity. Management bears ultimate responsibility to ensure they have documented and communicated to appropriate staff policies, procedures, and processes which specifically address all aspects of their internal information technology environment. Such an Office-specific security program should include, but not be limited to, policies requiring the Office to periodically review user access to applications and data, as well as documentation of the Office’s evaluation and security classification of Office data.

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-004. **FINDING** (Inadequate Controls over the Review of Internal Controls for Service Providers)

The Illinois General Assembly – House of Representatives (House) had not implemented adequate internal controls over its service providers.

We requested the House to provide the population of service providers utilized to determine if they had reviewed the internal controls over their service providers. However, the Office of the Clerk of the House and the House Democratic Leadership did not provide their populations of service providers. Due to these conditions, we were unable to conclude the House’s population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36).

Even given the population limitations noted above, we selected for testing the fifteen service providers we identified in our review. The House utilized the service providers for hosting services, software as a service, infrastructure as a service, systems development and program maintenance.

During our inquiries and further discussion, we noted the Office of the Clerk of the House and the House Democratic Leadership utilized two service providers each but did not obtain System and Organization Control (SOC) reports from its service providers or conduct independent internal control reviews of the service providers.

The House Republican Leadership identified eleven service providers. We requested the SOC reports and documentation of the House Republican Leadership’s review and assessment for all eleven service providers. Although the House Republican Leadership provided their SOC report review for all 11 SOC reports, 6 (55%) SOC reports were not provided for testing. As a result, we were unable to determine whether the reviews performed by the House Republican Leadership were adequate. We were able to test the agency’s review of the 5 SOC reports which were provided for our review and we noted the following:

- For 1 of 5 SOC reports tested (20%), the House Republican staff noted there were no subservice organizations noted in the report, whereas our review of the SOC reports identified subservice organizations and related control weaknesses cited in the report.
- For 5 of 5 SOC reports tested (100%) where Complementary Subservice Organization Controls (CSOCs) were identified, the documentation did not include the agency’s assessment of the controls associated with the use of subservice organizations or documentation that they performed

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-004. **FINDING** (Inadequate Controls over the Review of Internal Controls for Service Providers) (Continued)

alternative procedures to determine the impact on its internal control environment.

- For 4 of 4 SOC reports tested where Complementary User Entity Controls (CUECs) were identified (100%), the documentation did not include the Agency's detailed analysis of the CUECs and controls in place to address those CUECs identified in the SOC reports.

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 Service Acquisition sections, requires entities outsourcing their IT environment or operations to obtain assurance over the entities internal controls related to the services provided. Such assurance may be obtained via System and Organization Control 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.

House management indicated that during the examination period, they thought their controls were sufficient to satisfy their responsibilities.

Without having obtained and reviewed a SOC report or another form of independent internal controls review for each service provider, the House does not have assurance the service providers' internal controls are adequate. (Finding Code No. 2023-004)

RECOMMENDATION

We recommend the House implement internal controls over service providers to include the following:

- Develop a process to identify and document all service providers utilized on an annual basis.

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-004. **FINDING** (Inadequate Controls over the Review of Internal Controls for Service Providers) (Continued)

RECOMMENDATION (Continued)

- Obtain SOC reports or perform independent reviews of internal controls associated with service providers at least annually;
- Analyze the SOC reports obtained to determine and document the impact of the report's opinion and noted deviations;
- Obtain and review subservice provider SOC reports; and
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the House, and any compensating controls.

AGENCY RESPONSE – HOUSE DEMOCRATIC LEADERSHIP

The House – Democratic Leadership concurs with this finding and will conduct internal control reviews of the EDP service providers in the future.

AGENCY RESPONSE – HOUSE REPUBLICAN LEADERSHIP

We accept that the House Republican Leadership will review and document SOC reports from subservice providers that meet the review criteria as stated and will also review and document complementary user entity controls. The House Republican Leadership will investigate proper procedures and permissions within non-disclosure agreements as to whether SOC reports may be made visually available to outside auditors

AGENCY RESPONSE – OFFICE OF THE CLERK OF THE HOUSE

We concur and will implement regular reviews of service provider Service Organization Control reports.

**STATE OF ILLINOIS
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
SCHEDULE OF FINDINGS – PRIOR FINDING NOT REPEATED
For the Two Years Ended June 30, 2023**

A. **FINDING** (Inadequate Controls over Monthly Reconciliations)

During the prior examination, the House Democratic Leadership did not exercise adequate controls over monthly reconciliations.

During the current examination, our sample testing indicated the House Democratic Leadership's controls over monthly reconciliations have significantly improved. As a result, this finding is not repeated. (Finding Code No. 2021-003)