



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**ILLINOIS GAMING BOARD**

**Compliance Examination  
 For the Two Years Ended June 30, 2022**

**Release Date: April 6, 2023**

| <b>FINDINGS THIS AUDIT: 9</b> |            |               |              | <b>AGING SCHEDULE OF REPEATED FINDINGS</b> |                   |                   |                   |
|-------------------------------|------------|---------------|--------------|--|-------------------|-------------------|-------------------|
|                               | <u>New</u> | <u>Repeat</u> | <u>Total</u> | <u>Repeated Since</u>                      | <u>Category 1</u> | <u>Category 2</u> | <u>Category 3</u> |
| <b>Category 1:</b>            | <b>0</b>   | <b>0</b>      | <b>0</b>     | 2020                                       |                   | 22-3              |                   |
| <b>Category 2:</b>            | <b>5</b>   | <b>4</b>      | <b>9</b>     | 2014                                       |                   | 22-5              |                   |
| <b>Category 3:</b>            | <b>0</b>   | <b>0</b>      | <b>0</b>     | 2012                                       |                   | 22-1, 22-2        |                   |
| <b>TOTAL</b>                  | <b>5</b>   | <b>4</b>      | <b>9</b>     |  |                   |                   |                   |
| <b>FINDINGS LAST AUDIT: 5</b> |            |               |              |  |                   |                   |                   |

**INTRODUCTION**

This digest covers the State Compliance Examination of the Illinois Gaming Board (Board) for the two years ended June 30, 2022. The Board’s Financial Audit as of and for the year ended June 30, 2022 was previously released on January 26, 2023. In total, this report contains nine findings, one of which was also reported in the Financial Audit.

**SYNOPSIS**

- (2022-002) The Board did not maintain adequate controls over personal services.
- (2022-008) The Board did not utilize all capabilities of the State’s Enterprise Resource Planning (ERP) system, which resulted in unnecessary inefficiency.

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

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER PERSONAL SERVICES**

The Board did not maintain adequate controls over personal services.

During testing of personnel records for 32 employees, we noted the following:

**Performance evaluations were not timely completed**

- One (3%) employee's annual performance evaluation was not completed.
- Two (6%) employees' annual performance evaluations were completed 69 and 137 days late.
- One (3%) employee's annual performance evaluation completion date could not be verified due to the evaluation not being dated.

**I-9 Forms were not properly completed**

- Two (6%) employees did not date Section 1 of the U.S. Citizenship and Immigration Services (USCIS) I-9 Employment Eligibility Verification (I-9) form. Thus, we could not determine the timeliness of completion on or before the hire date.
- Five (16%) I-9 forms did not have Section 2 included in the employees' personnel files. Thus, we could not determine the timeliness of completion within the required three days from hire date. (Finding 2, pages 13-14). **This finding has been reported since 2012.**

We recommended the Board timely conduct annual performance evaluations in accordance with the Code and Handbook and change their current procedures to prepare, review, and retain I-9 forms to ensure compliance with the USCIS requirements.

**Board agreed with the recommendation**

Board management agreed with our recommendation and stated the Board recognizes the importance of completing annual performance evaluations in a timely manner. The Board also stated it will continue to work with its supervisors to meet evaluation deadlines. Additionally, the Board stated it trained appropriate staff regarding I-9 requirements to ensure proper completion of these forms.

## **FAILURE TO FULLY UTILIZE THE STATE'S ENTERPRISE RESOURCE PLANNING SYSTEM**

The Illinois Gaming Board (Board) did not utilize all capabilities of the State's Enterprise Resource Planning (ERP) system, which resulted in unnecessary inefficiency.

### **Did not develop a comprehensive security program**

During our examination, we noted the Board recorded financial transactions; however, the Board did not fully utilize the Project/Cost Accounting (Controlling), Funds Management, or General Ledger ERP modules.

- The Controlling module collects, analyzes, distributes, allocates, and reports on financial data according to cost objects.

### **Did not develop a cybersecurity plan**

- The Funds Management module maintains, tracks, and reports on revenues, expenditures, commitments, obligations, and transfers for each fund and budget.

- The General Ledger module records the financial transactions of an agency and the State chart of accounts.

### **Did not develop a risk management methodology**

- Developed a project management framework to ensure new applications were adequately developed and implemented in accordance with management's expectations.

### **Did not develop a data classification methodology**

The concept of accountability for use of public resources and government authority is key to our 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. (Finding 8, pages 25-26)

We recommended the Board work with the Department of Innovation and Technology to transition and fully utilize the Project/Cost Accounting (Controlling), Funds Management and General Ledger ERP modules of the ERP system.

Board management agreed with the recommendation and stated the Board is currently working to incorporate additional ERP functionality to assist with fiscal process performed throughout the year.

## **OTHER FINDINGS**

The remaining findings pertain to lack of an affective change management control, failure to file annual reports, noncompliance with the Sports Wagering Act, inadequate

**Board agreed with the recommendation**

disaster recovery controls, lack of controls over cybersecurity programs and practices and service providers, and voucher processing weakness. We will review the Board's progress towards the implementation of our recommendations in our next compliance examination.

**ACCOUNTANT'S OPINION**

The accountants conducted a compliance examination of the Board for the two years ended June 30, 2022, as required by the Illinois State Auditing Act. The accountants stated the Board complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by CliftonLarsonAllen, LLP.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

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

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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