



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**ILLINOIS GAMING BOARD**  
**FUND 129 - STATE GAMING FUND**

**Financial Audit**  
**For the Year Ended June 30, 2022**

**Release Date: January 26, 2023**

<b>FINDINGS THIS AUDIT: 1</b>				<b>AGING SCHEDULE OF REPEATED FINDINGS</b>			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<b>Repeated Since</b>	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>
<b>Category 1:</b>	<b>1*</b>	<b>0</b>	<b>1</b>	2012	<b>22-1*</b>		
<b>Category 2:</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>Category 3:</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>1</b>				
<b>FINDINGS LAST AUDIT: 0</b>							

\*Finding 22-001 was reclassified from a State Compliance Examination Finding to a *Government Auditing Standards* finding in the current audit period.

**INTRODUCTION**

This digest covers the State Gaming Fund of the Illinois Gaming Board’s (Board) Financial Audit as of and for the year ended June 30, 2022. The Board’s Compliance Examination as of and for the year ended June 30, 2022 will be issued in a separate report at a later date.

**SYNOPSIS**

- (22-1) The Illinois Gaming Board (Board) failed to implement an effective change management process to control changes to their applications and data.

**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.

**ILLINOIS GAMING BOARD**  
**FINANCIAL AUDIT - STATE GAMING FUND**  
**For the Year Ended June 30, 2022**

<b>REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - Governmental fund (in thousands)</b>	<b>FY 2022</b>	<b>FY 2021</b>
<b>REVENUES</b>		
Casino taxes.....	\$ 345,808	\$ 200,378
Licenses and fees.....	8,496	9,273
Refunds and credit memoranda.....	-	2
Total revenues.....	<u>354,304</u>	<u>209,653</u>
<b>EXPENDITURES</b>		
Public protection and justice.....	49,525	50,201
Intergovernmental.....	84,844	57,334
Health and social services.....	6,194	5,969
Debt service.....	34	-
Total expenditures.....	<u>140,597</u>	<u>113,504</u>
<b>OTHER SOURCES (USES)</b>		
Transfers-out .....	<u>(213,707)</u>	<u>(96,149)</u>
Net Change in fund balance.....	-	-
Fund balance (deficit) July 1.....	-	-
Fund balance (deficit) June 30.....	<u>\$ -</u>	<u>\$ -</u>
<b>BALANCE SHEET - Governmental fund (in thousands)</b>		
	<b>June 30, 2022</b>	<b>June 30, 2021</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
Cash equity with State Treasurer.....	\$ 29,765	\$ 36,348
Other receivables, net.....	25	36
Total assets and deferred outflows of resources.....	<u>\$ 29,790</u>	<u>\$ 36,384</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>		
Accounts payable and accrued liabilities.....	\$ 2,522	\$ 1,959
Intergovernmental payables.....	7,319	8,145
Due to other State fiduciary funds.....	-	568
Due to other Board and State funds.....	19,949	25,710
Unavailable revenue.....	-	2
Total liabilities and deferred inflows of resources.....	<u>29,790</u>	<u>36,384</u>
<b>FUND BALANCE (DEFICIT)</b>		
Committed fund balance.....	-	-
Total liabilities, deferred inflows of resources and fund balance (deficit).....	<u>\$ 29,790</u>	<u>\$ 36,384</u>
<b>BOARD ADMINISTRATOR</b>		
During the Audit Period: Mr. Marcus Fruchter		
Currently: Mr. Marcus Fruchter		

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**LACK OF AN EFFECTIVE CHANGE MANAGEMENT  
CONTROL**

The Illinois Gaming Board (Board) failed to implement an effective change management process to control changes to their applications and data.

**Lacked effective change  
management procedures**

The Board utilized a myriad of applications to carry out its duties of regulating the casinos and sports wagering in the State. During our review of the Board's change control procedures, we noted the procedures were minimal and did not document the basic controls over changes. Specifically, the procedures did not address:

- Procedures for requesting changes,
- Approval of changes,
- Testing requirements,
- Documentation requirements,
- Implementation reviews, and
- Proper segregation of duties.

(Finding 1, pages 18-19)

We recommended the Board develop a change management policy which details all aspects of the change management process.

**Board accepted the recommendation**

Board officials accepted the recommendation and stated they were working to implement the necessary improvements.

**AUDITOR'S OPINION**

The auditors stated the financial statements of the State Gaming Fund of the Illinois Gaming Board as of and for the year ended June 30, 2022 are fairly stated in all material respects.

This financial audit was conducted by CliftonLarsonAllen LLP.

**SIGNED ORIGINAL ON FILE**

JANE CLARK  
Division Director

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

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

FJM:jp/vrb