



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS POWER AGENCY

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

Release Date: July 20, 2023

FINDINGS THIS AUDIT: 2	AGING SCHEDULE OF REPEATED FINDINGS			
	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	0	1	
Category 2:	1	0	1	
Category 3:	0	0	0	
TOTAL	2	0	2	
No Repeat Findings				
FINDINGS LAST AUDIT: 0				

INTRODUCTION

This digest covers the Illinois Power Agency’s (Agency) Compliance Examination for the two years ended June 30, 2022. A digest covering the Agency’s non-shared governmental funds Financial Audit as of and for the year ended June 30, 2022 was previously released on June 13, 2023. In total, this report contains two findings, one of which was reported in the Financial Audit.

SYNOPSIS

- (22-02) The Agency did not utilize the State’s Enterprise Resource Planning System as its main accounting system.

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

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

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

The Agency did not utilize the State's Enterprise Resource Planning (ERP) System as its main accounting system, which resulted in unnecessary inefficiency.

Failure to utilize the State's ERP necessitated a reconciliation which was untimely and when performed identified journal entries

The Agency utilizes an accounting system other than the State's ERP as its main accounting system, which necessitates a reconciliation between its two systems. The Agency did not fully reconcile its accounting system to the State's ERP until approximately six months after year-end. Failure to timely complete the reconciliation caused journal entries to be identified by the Agency. (Finding 2, page 11)

We recommended the Agency to transition to utilizing the State's ERP System as its main accounting system and ensure a timely reconciliation of its accounting systems until this transition is complete.

Agency agreed with finding

Agency officials agreed with the finding.

OTHER FINDINGS

The remaining finding related to internal controls over financial statement close process is reportedly being given attention by the Agency. We will review the Agency's progress towards the implementation of our recommendations in our next engagement.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the Agency for the two years ended June 30, 2022, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2022-001. Except for the noncompliance described in this finding, the accountants stated the Agency complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Plante & Moran PLLC.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

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

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FRANK J. MAUTINO
Auditor General

FJM:JGR