ADELFIA LLC
CERTIFIED PUBLIC ACCOUNTANTS

State of Illinois
ILLINOIS STATE POLICE
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024

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

STATE OF ILLINOIS
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For the Two Years Ended June 30, 2024

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DEPARTMENT OFFICIALS

Director	Mr. Brendan F. Kelly
First Deputy Director (12/01/23 – Present)	Ms. Rebecca Hooks
First Deputy Director (07/01/22 - 11/30/23)	Mr. Matt Davis
Chief Financial Officer (10/16/24 – Present)	Ms. Michelle M. Dankoski
Chief Financial Officer (Acting) (06/01/24 – 10/15/24)	Ms. Michelle M. Dankoski
Chief Financial Officer (07/01/22 – 05/31/24)	Mr. Benjamin Dieterich
Chief Legal Counsel (04/01/24 – Present)	Ms. Steffanie Garrett
Chief Legal Counsel (Acting) (02/01/24 – 03/31/24)	Ms. Suzanne Bond
Chief Legal Counsel (08/01/23 – 01/31/24)	Ms. Kelly Griffith
Chief Legal Counsel (Acting) (07/01/22 – 07/31/23)	Ms. Kelly Griffith
Chief Internal Auditor	Ms. Denise K. Caldwell

DEPARTMENT OFFICE

The Illinois State Police's primary administrative office is located at:

801 South Seventh Street
Springfield, IL 62703

ILLINOIS STATE POLICE
Office of the Director

JB Pritzker
Governor

Brendan F. Kelly
Director

MANAGEMENT ASSERTION LETTER

May 23, 2025

Adelfia LLC
400 East 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, Illinois State Police (Department). 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 Department's compliance with the following specified requirements during the two-year period ended June 30, 2024. Based on this evaluation, we assert that during the years ended June 30, 2023, and June 30, 2024, the Department has materially complied with the specified requirements listed below.

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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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.

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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.

Yours truly,

State of Illinois, Illinois State Police

SIGNED ORIGINAL ON FILE

Brendan Kelly
Executive Director

SIGNED ORIGINAL ON FILE

Michelle Dankoski
Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Steffanie Garrett
Chief Legal Counsel

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 or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	Current Report	Prior Report
Findings	32	39
Repeated Findings	25	26
Prior Recommendations Implemented or Not Repeated	14	6

SCHEDULE OF FINDINGS

Item No.	Page	Last/First Reported	Description	Finding Type
			Current Findings	
2024-001	13	2022/2002	Inadequate Controls over State Property	Material Weakness and Material Noncompliance
2024-002	18	2022/2010	Inadequate Controls over Accounts Receivable	Material Weakness and Material Noncompliance
2024-003	21	2022/2018	Receipts Processing Weaknesses	Material Weakness and Material Noncompliance
2024-004	26	2022/2012	Delinquent Accounts not Pursued	Material Weakness and Material Noncompliance

SCHEDULE OF FINDINGS (Continued)

Item No.	Page	Last/First Reported	Description	Finding Type
			Current Findings	
2024-005	29	2022/2004	Voucher Processing Internal Controls not Operating Effectively	Material Weakness and Material Noncompliance
2024-006	32	2022/2016	Inadequate Controls over Monthly Reconciliations	Material Weakness and Material Noncompliance
2024-007	34	2022/2020	Inadequate Controls over Fee Imposition Reports	Material Weakness and Material Noncompliance
2024-008	36	2022/2022	Inadequate Controls over Payroll Voucher Processing	Material Weakness and Material Noncompliance
2024-009	39	2022/2020	Inadequate Controls over State Vehicles	Material Weakness and Material Noncompliance
2024-010	43	2022/2020	Lack of Controls over Service Providers	Material Weakness and Material Noncompliance
2024-011	46	2022/2010	Failure to Maintain Security Controls	Material Weakness and Material Noncompliance
2024-012	48	2022/2020	Noncompliance with the Firearm Owner’s Identification Card Act	Significant Deficiency and Noncompliance
2024-013	50	2022/2020	Weakness in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2024-014	53	2022/2020	Inadequate Controls over Employee Attendance Records	Significant Deficiency and Noncompliance
2024-015	56	2022/2020	Noncompliance with the Fiscal Control and Internal Auditing Act	Significant Deficiency and Noncompliance
2024-016	58	2022/2016	Contingency Planning Weaknesses	Significant Deficiency and Noncompliance

SCHEDULE OF FINDINGS (Continued)

Item No.	Page	Last/First Reported	Description	Finding Type
			Current Findings	
2024-017	60	2022/2020	Noncompliance with Accident Reporting Requirements	Significant Deficiency and Noncompliance
2024-018	62	2022/2020	Inadequate Controls over Performance Evaluations	Significant Deficiency and Noncompliance
2024-019	64	2022/2020	Inadequate Controls over Employee Training	Significant Deficiency and Noncompliance
2024-020	67	2022/2020	Noncompliance with the Federal Regulations on Form I-9	Significant Deficiency and Noncompliance
2024-021	69	2022/2020	Inadequate Controls over Payroll Files	Significant Deficiency and Noncompliance
2024-022	72	2022/2020	Inadequate Controls over Return and Deactivation of Telecommunication Devices	Significant Deficiency and Noncompliance
2024-023	75	2022/2022	Inadequate Controls over Employees Assigned a State Vehicle	Significant Deficiency and Noncompliance
2024-024	78	2022/2022	Inadequate Controls over State Employees' Retirement System Census Data	Significant Deficiency and Noncompliance
2024-025	81	2022/2022	Inadequate Controls over Locally-Held Funds	Significant Deficiency and Noncompliance
2024-026	83	New	Inadequate Controls over Reporting Requirements	Significant Deficiency and Noncompliance
2024-027	85	New	Inadequate Controls over Non-Sufficient Fund Transactions	Significant Deficiency and Noncompliance
2024-028	87	New	Noncompliance with the Reporting Requirements of the State Police Act	Significant Deficiency and Noncompliance

SCHEDULE OF FINDINGS (Continued)

Item No.	Page	Last/First Reported	Description	Finding Type
			Current Findings	
2024-029	89	New	Inadequate Controls over Contracts	Significant Deficiency and Noncompliance
2024-030	92	New	Noncompliance with the Requirements of the Illinois Vehicle Code on ALPR System	Significant Deficiency and Noncompliance
2024-031	94	New	Noncompliance with the Criminal Identification Act	Significant Deficiency and Noncompliance
2024-032	96	New	Inadequate Controls over Employee Leave Balances	Significant Deficiency and Noncompliance
			Prior Findings Not Repeated	
A	99	2022/2022	Failure to Remove Employees from Payroll	
B	99	2022/2022	Need to Enhance Relationship with the Illinois State Toll Highway Authority	
C	99	2022/2020	Failure to Comply with Firearms Dealer License Certification Act	
D	99	2022/2020	Noncompliance with the Gun Trafficking Information Act	
E	99	2022/2022	Inadequate Controls over Electronic Storage Media	
F	100	2022/2016	Noncompliance with Specific Statutory Mandates	
G	100	2022/2010	Lack of Project Management	
H	100	2022/2012	Weaknesses in Change Management of Computer Systems	

SCHEDULE OF FINDINGS (Continued)

Item No.	Page	Last/First Reported	Description
			Prior Findings Not Repeated
I	100	2022/2022	Weakness with PCI Data Security Standards
J	101	2022/2022	Lack of Internal Controls over Monitoring of Liability Insurance Certifications
K	101	2022/2022	Noncompliance with Specialized Mental Health Rehabilitation Act
L	101	2022/2022	Inadequate Controls over Contracts
M	101	2022/2022	Inadequate Control over Interagency Agreements
N	101	2022/2022	Noncompliance with the Illinois Gaming Act

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on May 21, 2025.

Attending were:

Illinois State Police
Brendan F. Kelly, Director
Rebecca Hooks, First Deputy Director – Director's Office
Todd Hartman, Chief of Staff – Director's Office
Michelle M. Dankoski, Chief Fiscal Officer – Office of Finance
Jasmin Dixon, Executive Officer – Office of Finance
Steffanie Garrett, Chief Legal Counsel
Abby Sgro, Deputy Chief Legal Counsel
John Price, Deputy Director – Division of Criminal Investigations
Cher Clodfelter, Deputy Director – Division of 9-1-1
Christopher Campbell, Deputy Director – Division of Justice Services
Mike Gillock, Deputy Director – Division of Academy and Training
Kari Selinger, Human Resources Bureau Chief
Denise K. Caldwell, Chief Internal Auditor

Office of the Auditor General
Stephanie Wildhaber, Senior Audit Manager
Sara Metzger, Assistant Director

Adelfia LLC
Gilda Priebe, Partner
Anjo Guillermo, Manager
Lira Mendoza, Senior
Gionelle Ceniza, Senior IS Specialist

The responses to these recommendations were provided by Michelle M. Dankoski, Chief Fiscal Officer, in correspondences dated May 22, 2025 and May 23, 2025.

ADELFIA LLC
CERTIFIED PUBLIC ACCOUNTANTS

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, Illinois State Police (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, 2024. 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.

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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 the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the Department during the two years ended June 30, 2024. As described in the accompanying Schedule of Findings as items 2024-001, 2024-005, 2024-006, 2024-008, and 2024-009, 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. As described in the accompanying Schedule of Findings as items 2024-001 through 2024-011, 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. As described in the accompanying Schedule of Findings as items 2024-002 through 2024-004, 2024-006, and 2024-007, 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.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the Department complied with the specified requirements during the two years ended June 30, 2024, 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 2024-012 through 2024-032.

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 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's 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 a 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 2024-001 through 2024-011 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 2024-012 through 2024-032 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
May 23, 2025

2024-001. **FINDING** (Inadequate Controls over State Property)

The Illinois State Police (Department) did not maintain adequate controls over its reporting and monitoring of State property.

Due to the conditions identified below, we were unable to conclude whether the Department's populations 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 controls over State property.

Even given the population limitations noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, we performed the following tests:

During testing of the Discrepancy Reports submitted by the Department to the Comptroller's Office during Fiscal Years 2023 and 2024, we noted the following:

- The Fiscal Year 2023 Discrepancy Report included 283 missing items totaling $379,133 which were still included in the Fiscal Year 2024 Discrepancy Report.
- The Fiscal Year 2023 Discrepancy Report included 587 missing items totaling $914,571 which were still included in the Department's asset inventory as of June 30, 2023.
- The Fiscal Year 2024 Discrepancy Report included 398 missing items totaling $1,077,482 which were still included in the Department's asset inventory as of June 30, 2024.

In addition, the Department was unable to reconcile the differences noted between the Object Expense/Expenditures by Quarter Report (SA02) and the Department's Report of State Property (C-15) reports. The Department had $34,866,983 and $42,055,433 in gross equipment and electronic data processing expenditures in the SA02 reports for Fiscal Year 2023 and 2024, respectively. However, the Department's reported additions in the C-15 reports for Fiscal Year 2023 and 2024 were $30,576,892 and $44,137,242, respectively.

The State Records Act (5 ILCS 160/8) requires the Director to make and preserve records containing adequate and proper documentation of essential transactions of the Department. 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 to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable laws.

The Department did not have adequate controls over lost or missing property items. We noted 37 of 50 (74%) items listed as lost or missing could possibly have confidential information stored in them. The Department was unable to identify the use or the type of data stored or placed on these items. These items included servers, computers, laptops, tablets, and a video camera with a memory card.

The State Property Control Act (30 ILCS 605/4) requires the Department to be accountable for the supervision, control, and inventory of all items under its jurisdiction and control. In addition, the Personal Information Protection Act (815 ILCS 530/45) requires the Department to implement and maintain reasonable security measures to protect records that contain personal information from unauthorized access, acquisition, destruction, use, modification, or disclosure.

During testing of 60 equipment deletions, we noted the following:

- Two (3%) equipment items, totaling $19,026, were deleted from the Department's property records, 29 and 39 days late.

- Two (3%) equipment items deleted from the Department's property records, totaling $12,672, were missing the related Request for Deletion from Inventory Form (ISP Form 2-664).

- For one (2%) equipment item deleted, the Department was unable to provide support for the value of the asset.

The Illinois Administrative Code (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.

The Department Directives (ADM 128 IV.L.1) requires the Department's Division Head or designee to sign an ISP Form 2-664 before the equipment can be removed from inventory records.

The State Records Act (5 ILCS 160/8) requires the Director to make and preserve records containing adequate and proper documentation of 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 Department's activities.

During our property observation, we noted the following:

- One of 60 (2%) items tested (a mobile radio), valued at $3,578, was not found.

- One of 60 (2%) items located within the Department (a scanning device) was not tagged. Thus, auditors were unable to determine whether the equipment was recorded in the property listing.

- There were 23 equipment items (scientific equipment, generators, power supplies, and cabinet), totaling $306,133, considered transferable and no longer in use by the Department. However, the items remained in the Department's property records and had not been transferred to the Department of Central Management Services (CMS) for possible disposal through the surplus process.

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

The Code (44 Ill. Admin. Code 5010.210) requires the Department to mark each piece of State-owned equipment in its possession to indicate that it is the property of the State of Illinois and must be marked with a unique identification number to be assigned by the Department. The Code (44 Ill. Admin Code 5010.600) defines transferable equipment as State-owned equipment which is no longer needed and/or is not useful to the Department. Further, the Code (44 Ill. Admin Code 5010.620) requires the Department to regularly survey its inventory to identify transferable equipment and report it to the Property Control Division at CMS.

The Fiscal Control and Internal Auditing Act (FCIAA) (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation, and that transfers of assets are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over the State's resources.

This finding was first noted during the examination of the two years ended June 30, 2002. In the subsequent years, the Department has failed to implement corrective actions to remedy the deficiencies. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the transition to the State's Enterprise Resource Planning System (ERP) and the COVID-19 lockdowns in Fiscal Year 2020 made it difficult to keep track of the large volume of equipment being deployed and returning on a weekly basis. The Department also indicated the cause to be the lack of resources available and lack of training for staff and property custodians. During the current examination, Department management indicated exceptions were due to management oversight, lack of resources, and competing priorities. Department management added the differences noted between SA02 and C-15 reports pertain to various items including expenditures less than $2,500 that are not high-theft which would be present on the SA02 but not in C-15 additions but reconciliation between SA02 and C-15 would be impossible.

Failure to exercise adequate controls over State property increases the potential for fraud and possible loss or theft of State property, is noncompliance with the Code and State regulations, and resulted in inaccurate property reporting statewide. (Finding Code No. 2024-001, 2022-001, 2020-001, 2018-001, 2016-001, 2014-001, 12-1, 10-l, 08-l, 06-l, 04-1,02-1)

RECOMMENDATION

We recommend the Department strengthen its controls over State property by performing thorough reviews of the data it uses for the Discrepancy Reports and reconciliations. We also recommend the Department develop procedures to promptly assess whether an electronic device may have contained confidential information whenever it is reported lost, stolen, or missing during the annual physical inventory, and document the results of the assessment. Finally, we recommend the Department strengthen its controls on monitoring missing properties and obsolete items to ensure accurate and timely recordkeeping and accountability for all State assets.

DEPARTMENT RESPONSE

The Department concurs with this finding and acknowledges the need to strengthen controls over State property to ensure accurate and complete reporting. We recognize the importance of reconciling property records with financial information and are committed to improving processes, documentation, and reporting practices in alignment with the auditor's recommendations.

While the auditors referenced the SA02 report for reconciliation purposes, this recommendation was based on the information available to them at the time of the audit. The Department had not fully communicated that it relies on other internally generated reports, such as voucher-level expenditure data and ERP system queries, for reconciling asset acquisitions to the C-15 report. These reports offer more detailed and relevant data than the SA02 for this purpose. Moving forward, the Department will work to better document and share its reconciliation methodology to ensure transparency and consistency with audit expectations.

To further improve controls, the Department has taken several corrective steps to date. In 2024, we updated ADM-128 (the Property Control and Inventory Manual) and related inventory procedures to enhance guidance on tagging, documentation, and recordkeeping. We also created a new missing equipment reporting process to ensure timely identification, documentation, and resolution of potential asset discrepancies. The Property Control Unit has also initiated improvements to the Annual Discrepancy Report process, which will support better identification of variances between physical inventories and asset records.

As part of the Department's broader corrective action planning, we will conduct a formal root cause analysis and develop additional action items focused on ensuring timely updates to asset records, strengthening internal documentation and tagging procedures, mitigating data risks associated with electronic equipment, and improving procedures for removing obsolete property and transferring items to CMS for disposal.

The Department remains committed to accurate and compliant fixed asset reporting and will continue to enhance reconciliation and internal control practices through systemic improvements and interagency collaboration.

2024-002. **FINDING** (Inadequate Controls over Accounts Receivable)

The Illinois State Police (Department) did not maintain adequate controls over accounts receivable.

The Department reported total accounts receivable of $10,694,000 and $15,709,000 in its Quarterly Summary of Accounts Receivable Reports (C-97, C-98, and C-99 Forms) for the State Police Services Fund (Fund 906), the State Police Operations Assistance Fund (Fund 817), the State Police Firearm Services Fund (Fund 209), and the Statewide 9-1-1 Fund (Fund 612) as of June 30, 2023 and June 30, 2024, respectively.

During testing, we requested the Department provide detailed aging of accounts receivable as of June 30, 2023 and June 30, 2024. We also requested the Department provide supporting analysis of the 45 funds and 36 funds indicated in the accounts receivable reporting exemption letters submitted by the Department to the Comptroller's Office during Fiscal Years 2023 and 2024, respectively. However, the Department was unable to provide documentation and analysis supporting the accounts receivable balances. Thus, we were unable to determine the existence of the accounts receivable balances reported in the Quarterly Summary of Accounts Receivable Reports as of June 30, 2023 and June 30, 2024.

In addition, we noted the Department did not have written policies and procedures for handling and reporting accounts receivable, tracking and monitoring complaints related to billings, and writing off uncollectible receivables.

Due to these conditions, we were unable to conclude whether 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 accounts receivable. ***Even given the limitations noted above***, ***we performed testing of the Department's accounts receivable records.***

During testing of year-end accounts receivable balances of two funds, we noted the following:

- For one (50%) fund, the recalculated accounts receivable balances were understated by $61,614 as of June 30, 2023 and overstated by $48,541 as of June 30, 2024 compared to the balances reported in the Quarterly Summary of Accounts Receivable Reports. The Department was unable to provide explanation for the differences noted.

- For one (50%) fund, the Department was unable to provide documentation for total billings and total collections during Fiscal Years 2023 and 2024. Thus, we were unable to determine the accuracy of the accounts receivable balances reported in the Quarterly Summary of Accounts Receivable Reports as of June 30, 2023 and June 30, 2024.

The Department determined accounts receivable balances less than $500 during the examination period. For the Fiscal Year 2023 exemption letter submitted by the Department to the Comptroller's Office, we noted the following:

- There were 11 funds included in the exemption letter but were not part of the funds assigned to the Department per the Statewide Accounting Management System (SAMS) Manual (Procedure 27.50.10).

- Two funds assigned to the Department per SAMS Manual (Procedure 27.50.10) were not reported by the Department in either the Quarterly Summary of Accounts Receivable Reports or the accounts receivable reporting exemption letter.

This finding was first reported during the examination for the two years ended June 30, 2010. In the subsequent years, the Department has failed to implement corrective actions to remedy the deficiencies. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

SAMS Manual (Procedure 26.20.10) states accounts receivable should be recognized when the State's claim for future cash is reasonably estimable and the amount due becomes measurable. SAMS Manual also requires the Department to record and maintain detailed information of its receivables.

SAMS Manual (Procedure 26.10.20) requires the Department to notify the Comptroller's Office by March 31 about the funds which were determined to be part of the State of Illinois for GAAP reporting purposes, as enumerated in SAMS Manual (Procedure 27.50.10), with gross receivable balances less than $500.

The Fiscal Control and Internal Auditing Act (FCIAA) (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 revenues 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. In addition, a good system of internal control includes ensuring receivables are properly maintained and accurately recorded by the Department.

During the prior examination, Department management indicated the exceptions were due to a lack of resources to create and implement the policies and procedures. During the current examination, Department management indicated the exceptions were still due to continuing lack of resources, staffing shortages, and oversight.

Failure to maintain accounts receivable policies and procedures could lead to the failure to properly collect amounts owed to the State and inaccuracies in Statewide financial statement reporting. (Finding Code No. 2024-002, 2022-002, 2020-002, 2018-002, 2016-002, 2014-002, 12-3, 10-8)

RECOMMENDATION

We recommend the Department strengthen internal controls over accounts receivable by developing and implementing written policies and procedures to ensure accounts receivable is appropriately recorded, tracked, and monitored. We also recommend the Department maintain and perform adequate reconciliation and analysis of accounts receivable as part of the quarterly and annual reporting required by the Comptroller's Office.

DEPARTMENT RESPONSE

The Department concurs with this finding. While some progress has been made in addressing historical inaccuracies in accounts receivable reporting, work remains to fully resolve the longstanding issues.

The Department acknowledges the continuing impact of resource constraints, staffing shortages, and oversight challenges, which have limited our ability to consistently document and reconcile accounts receivable across all applicable funds. While the Department has developed procedures for managing accounts receivable, these procedures have not yet been formalized in a comprehensive, Department-wide policies and procedures manual. To address this, the Department will update and consolidate existing directives to ensure consistency, clarity, and accountability throughout the organization.

Additionally, the Department will enhance documentation practices for accounts receivable balances under $500 and will coordinate with the Office of the Comptroller to resolve discrepancies regarding fund reporting responsibilities. To further support this effort, the Department has partnered with the Office of Operational Excellence at Central Management Services to lead a comprehensive process improvement initiative. This initiative builds on the recommendations of an external consulting engagement and empowers staff to identify inefficiencies, implement corrective actions based on institutional knowledge, and sustain improvements through targeted training in process optimization. The Department remains committed to strengthening internal controls, improving documentation, and ensuring accurate and complete accounts receivable reporting.

2024-003. **FINDING** (Receipts Processing Weaknesses)

The Illinois State Police (Department) did not maintain adequate internal controls over receipts.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning (ERP) System operated by the Department of Innovation and Technology (DoIT), we were able to limit our receipt 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 receipt processing, 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 during the receipts testing were (1) amount, (2) fund being deposited into, (3) date of receipt, (4) date deposited, and (5) SAMS Source Code. In addition, the attributes tested during the refund receipts testing were (1) amount, (2) date of receipt, (3) date deposited, and (4) offset against the correct appropriation code.

Our testing of receipts noted two of 140 (1%) attributes were not properly entered into the ERP System. In addition, the Department was unable to provide supporting documents for three of 28 (11%) receipt transactions. Thus, we were unable to determine if 15 of 140 (11%) attributes were properly entered into the ERP System.

Further, the Department was unable to provide supporting documents in relation to all or some attributes for seven of nine (78%) refund receipts transactions. Thus, we were unable to determine if 21 of 36 (58%) attributes were properly entered into the ERP System.

Therefore, the Department's internal controls over receipts processing **were not operating effectively**.

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2(a)) requires the Department to maintain a detailed record of all moneys received, which is to include date of receipt, the payor, purpose and amount, and the date and manner of disbursement. Further, 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, expenditures, and transfers of assets, resources, or funds applicable to the 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.

Due to the above conditions, 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.

We also requested the Department provide the population of receipts during Fiscal Years 2023 and 2024 in order to test compliance applicable to those receipts. In response to our request, the Department provided a listing of receipts. During testing, we noted the following problems with the Department's population:

- The population of receipts for Fiscal Years 2023 and 2024 did not agree with the Office of Comptroller's Monthly Revenue Status Report (SB04) as of June 30, 2023 and June 30, 2024. The discrepancies totaled a net amount of $62,677,532 and $29,105,801 for Fiscal Years 2023 and 2024, respectively.

- The year-to-date SB04 reconciliations for Fiscal Years ended June 30, 2024 and 2023 contained unexplained reconciliation discrepancies as discussed in Finding 2024-006, *Inadequate Controls over Monthly Reconciliations*.

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 relative to cash receipts.

Even given the population limitations noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, we performed testing and noted the Department did not maintain proper segregation of custody and recordkeeping duties over receipt collection and processing. For 3 of 28 (11%) receipts tested, there is only one person handling the receipt, deposit, and recording process.

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, expenditures, and transfers of assets, resources, or funds applicable to the 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. The State Records Act (5 ILCS 160/9(1)) requires the Department to provide for effective controls over the creation, maintenance, and use of records in the conduct of current business. In addition, good business practices require the Department maintain adequate segregation of duties in order to help ensure the safeguarding of assets, prevent improper expenditures, and ensure the accuracy and reliability of accounting data.

Further, we conducted an analysis of the Department's receipts data for Fiscal Years 2023 and 2024 to determine compliance with the Act. We noted:

- The Department's receipts data did not document the date on which the payment was received for 358 of 59,280 (1%) receipts. In addition, the ERP System records for 277 (1%) receipts transactions had deposit dates earlier than their payment receipt dates. As such, we were unable to determine if the Department deposited the receipts timely.

The Act (30 ILCS 230/2(a)) requires the Department to maintain a detailed record of all moneys received, which is to include date of receipt, the payor, purpose and amount, and the date and manner of disbursement. 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, expenditures, and transfers of assets, resources, or funds applicable to the 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.

- The Department did not deposit 1,035 receipt items, $10,000 or more, on the day received.

- The Department did not deposit 1,708 receipt items, exceeding $500 but less than $10,000, within 48 hours.

- The Department did not deposit 624 receipt items, less than $500, on the 1st or 15th of the month, whichever was earlier.

The Act (30 ILCS 230/2(a)) requires the Department to pay into the State treasury any single item of receipt exceeding $10,000 on the day received. Additionally, receipt items totaling $10,000 or more are to be deposited within 24 hours. Further, receipt items, in total exceeding $500 but less than $10,000, are to be deposited within 48 hours. Lastly, receipt items totaling less than $500 are to be deposited once the total exceeds $500 or on the 1st or 15th of the month, whichever is earlier.

- The Department did not timely deposit 1,372 receipt items, with approved deposit extensions within 15 days of receipt.

The Act (30 ILCS 230/2(b)) provides for the establishment of different time periods for the payment of public funds into the State treasury or to the State Treasurer, in excess of the periods established in Section 2(a) by rules or regulations promulgated jointly by the State Treasurer and the State Comptroller in accordance with the Illinois Administrative Procedure Act. Consequently, the Code (74 Ill. Admin. Code 700.20) provides any State agency subject to the provisions of Section 2(a) of the Act may request an extension of the deposit period for the payment of funds into the State treasury or to the State Treasurer. During the examination period, the Department was granted by the State Comptroller and State Treasurer a 15-day deposit period for payments into the funds related to the above receipt transaction exceptions.

The exceptions on receipts population and segregation of duties were first noted during the examination of the two years ended June 30, 2018 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the lack of segregation of duties over processing of receipts and refunds, and lack of supporting documentation being maintained were due to staffing shortages.

During the current examination, Department management indicated the exceptions noted were due to human error, continuing staffing shortages, lack of training, and competing priorities. Department management added the unit responsible for processing receipts was running on one employee only from January to April 2023.

Failure to properly enter the key attributes into the State's ERP System when processing a receipt hinders the reliability and usefulness of data extracted from the ERP System, which can result in improper recording of revenues and accounts receivable. Failure to reconcile monthly revenue reports in accordance with the SAMS Manual could lead to unresolved differences between the Department and Comptroller records, inaccurate financial reporting, and undetected loss or theft. Failure to maintain proper segregation of duties may result in theft or misappropriation of assets, which may not be prevented or detected. Failure to timely deposit cash receipts into the applicable State Treasury fund reduces the amount of cash available to pay current obligations and represents noncompliance with State laws and regulations. Finally, failure to establish and maintain internal controls over receipts, including the retention of supporting documentation, increases the risk of revenue loss, theft, or other irregularities that would otherwise not be found within the normal course of operations. (Finding Code No. 2024-003, 2022-003, 2020-003, 2018-003)

RECOMMENDATION

We recommend the Department establish internal controls to ensure receipts, including refund receipts, are properly recorded and supported; Department records are properly and timely reconciled with Comptroller's data; duties of employees are properly segregated; and receipts are deposited timely.

DEPARTMENT RESPONSE

The Department concurs with this finding. We recognize the importance of maintaining strong internal controls over receipts and acknowledge that continued staffing shortages, human error, and competing priorities contributed to the issues identified during the examination period. Although segregation of duties was established in 2020, high turnover and vacancies have limited consistent implementation in practice.

To address the identified weaknesses, the Department is building upon recommendations from an external consultant and is actively partnering with the Department of Central Management Services – Office of Operational Excellence to implement an improved receipts processing workflow. These enhancements include new verification checklists, supervisory review protocols, and cross-training of fiscal staff to improve accuracy, resilience, and accountability.

In response to discrepancies with the Comptroller's SB04 reports noted during the audit, the Department has strengthened its reconciliation procedures, and monthly reconciliations are now being performed within the required timeframe, with increased management oversight to ensure completeness and accuracy.

To ensure timely deposits, the Department has developed a tracking and escalation process aligned with statutory requirements and is generating exception reports to monitor and address delays. Additionally, targeted training is being conducted to reinforce proper ERP data entry, documentation retention, and statutory compliance. The Department is also reviewing its internal records management practices to ensure alignment with the State Records Act.

While this is a repeat finding, the Department is committed to implementing lasting improvements through systemic changes, adequate staffing, and active collaboration with oversight partners.

2024-004. **FINDING** (Delinquent Accounts not Pursued)

The Illinois State Police (Department) did not aggressively pursue the collection of accounts receivable and did not have adequate controls over its delinquent receivables.

The Department reported total accounts receivable of $10,694,000 and $15,709,000 from four funds as of June 30, 2023 and June 30, 2024, respectively. Out of the reported accounts receivable, $3,423,000 as of June 30, 2023 and $942,000 as of June 30, 2024 were outstanding over 90 days and considered delinquent accounts.

Due to the control deficiencies identified in Finding 2024-002, *Inadequate Controls over Accounts Receivable*, we were unable to conclude whether 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) in order to test the Department's controls over its delinquent receivables.

Even given the population limitations noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, we performed testing and noted the following:

- The Department did not have a formal written policy for the collection of its accounts receivables.
- The Department did not undertake comprehensive collection efforts for its accounts receivables during Fiscal Years 2023 and 2024.
- The Department did not refer any delinquent accounts receivables to the Illinois Debt Recover Offset Portal (IDROP) of the Comptroller's Office, the Debt Collection Bureau (Bureau) of the Department of Revenue, and the Attorney General's Office during the examination period.

The Illinois State Collection Act of 1986 (30 ILCS 210/3) requires agencies to aggressively pursue the collection of accounts receivable through all reasonable means.

Statewide Accounting Management System (SAMS) Manual (Procedure 26.40.10) requires the Department to maintain complete and accurate records of all collection efforts related to each past due account and recommends debts be reaffirmed during the first 60 days after an account becomes past due. Additionally, these records should, at a minimum, include a listing of accounts receivable, detail transaction histories for each account, collection attempt history, referrals to the Comptroller's IDROP System, the Department of Revenue's Debt Collection Bureau, and/or the Attorney General's Office, and any write-off transactions with required approvals.

SAMS Manual (Procedure 26.40.20) requires the Department to place all debts over $250 and more than 90 days past due in the Comptroller's IDROP System unless certain conditions are met.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 1200.60) requires the Department to refer to the Bureau all debt owed to the State, provided that the debt satisfies the requirements for referral of delinquent debt. The Code (74 Ill. Admin. Code 1200.50) defines "delinquent debt" as a debt to the State or any of its agencies that is owed by any person or entity, that is $10 or more, and that is more than 90 days past due.

The Uncollected State Claims Act (30 ILCS 205/2(a)) requires the Department to request the Attorney General to certify the claim or accounts receivable as uncollectible when it is unable to collect any claim or account receivable of $1,000 or more after having pursued the debt in accordance with State law.

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

This finding was first reported during the examination for the two years ended June 30, 2012. In the subsequent years, the Department has failed to implement corrective actions to remedy this deficiency. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the collection attempts have been limited due to shortage of staff. During the current examination, Department management indicated the lack of current policies and collection efforts were still due to lack of resources to create and implement such policies.

Failure to aggressively pursue the collection of accounts receivable through all reasonable means is noncompliance with State laws and regulations. Further, the failure to pursue collections reduces funds available for the Department and State operations. (Finding Code No. 2024-004, 2022-004, 2020-004, 2018-004, 2016-003, 2014-003, 12-6)

RECOMMENDATION

We recommend the Department develop a formal policy for the collection of accounts receivables, implement procedures, and allocated necessary resources to properly report and fully pursue collections on delinquent accounts receivable. We further recommend all eligible delinquent accounts be referred to the Comptroller's Offset System.

DEPARTMENT RESPONSE

The Department concurs with this finding. While progress has been made on the collection and write-off of older uncollectible balances, gaps remain across various funds and receivable types that require further attention. We acknowledge that additional corrective action is needed to ensure compliance with State collection requirements and to strengthen internal controls related to delinquent accounts.

The Department continues to work closely with the Department of Central Management Services - Office of Operational Excellence to build upon recommendations made by external consultants and to develop a more collaborative and structured process across all relevant work units. A complicating factor is the nature of the Department's receivables, which vary significantly by program area and do not lend themselves to a single standardized process. As such, one of the primary challenges has been aligning operational capacity and referral mechanisms across units with distinct statutory authorities, billing practices, and legacy systems.

Despite these challenges, the Department is committed to conducting further root cause analysis and designing unit-specific but coordinated procedures that allow for improved referral consistency and adherence to statewide reporting and collection expectations. This includes updating the Department's directive for the collection of delinquent accounts, strengthening documentation of collection efforts, and ensuring eligible accounts are properly referred to the appropriate collection entities, such as the Comptroller's Offset System (IDROP), the Department of Revenue's Debt Collection Bureau, and the Attorney General's Office.

The Department recognizes that the lack of a formal collections policy and the absence of referrals during Fiscal Years 2023 and 2024 must be addressed. These issues will be prioritized as part of our corrective action plan, with attention to both policy development and the creation of practical tools and guidance for decentralized units. Enhancing internal controls, tracking collection efforts, and documenting key decisions related to referrals and write-offs are key elements of our strategy going forward.

2024-005. **FINDING** (Voucher Processing Internal Controls not Operating Effectively)

The Illinois State Police's (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 ERP. In order to determine the operating effectiveness of the Department's internal controls related to voucher processing, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's 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.

Due to the control deficiencies identified in Finding 2024-006, *Inadequate Controls over Monthly Reconciliations*, we were unable to conclude whether 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) in order to test the Department's controls over expenditures.

Our testing noted seven of 240 (3%) attributes were not properly entered into the ERP System. Therefore, the Department's internal controls over voucher processing **were not operating effectively.**

Statewide Accounting Management System (SAMS) Manual (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 Comptroller's Office 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 (FCIAA) (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 2023 and 2024 and noted the Department did not timely approve 8,615 of 47,805 (18%) vouchers processed during the examination period, totaling $75,019,170. We noted these vouchers were approved between 31 and 412 days after receipt of a proper bill or other obligating document.

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. The Code (74 Ill. Admin. Code 1000.50) also requires the Department to process payments within 30 days after physical receipt of Internal Service Fund bills.

The FCIAA (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that 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 and to maintain accountability over the State's resources.

This finding was first noted during the examination of the two years ended June 30, 2004 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the attributes were not properly entered into the ERP due to data entry error and the untimely completion of the voucher process was caused by competing priorities and the lack of resources. During the current examination, Department management indicated the issues noted were still due to lack of staffing 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, which can result in improper interest calculations and expenditures. Further, failure to timely process proper bills and obligations due may result in noncompliance, unnecessary interest charges, and cash flow challenges for payees. (Finding Code No. 2024-005, 2022-006, 2020-014, 2018-009, 2016-008, 2014-009, 12-14, 10-05, 08-07, 06-07, 04-10)

RECOMMENDATION

We recommend the Department design and maintain internal controls to provide assurance its data entry of key attributes into ERP is complete and accurate. Further, we recommend the Department timely approve proper bills and obligations due.

DEPARTMENT RESPONSE

The Department concurs with this finding. We agree with the auditor's recommendation to design and maintain internal controls to ensure the accurate and timely entry of key attributes into ERP and to approve proper bills and obligations within required timeframes.

The root causes of this finding include inadequate staffing levels, limited training for new or rotating personnel, and inconsistent oversight during the voucher entry and approval process. In addition, competing priorities within business units contributed to delays in voucher approval.

To address these issues, the Department has developed Standard Operating Procedures (SOPs) to guide staff through the accounts payable process, including accurate data entry into ERP/SAP and expectations for timely processing. These SOPs were created with input from multiple fiscal units and are being disseminated to all impacted divisions. Staffing challenges are being actively addressed through coordination with Human Resources and ongoing recruitment efforts.

To ensure long-term improvement, the Department is implementing refresher and onboarding training for fiscal staff on voucher processing and ERP data accuracy, monitoring adherence to SOPs through periodic quality assurance checks, reviewing workflow practices to identify barriers to timely approval, evaluating opportunities for process automation or realignment, and expanding internal tracking tools to flag and escalate vouchers approaching statutory timeliness for review and payment.

In addition, the Department requested and received supplemental information from the auditors regarding the testing procedures performed. This information will be used to help the Department further assess internal processes and identify opportunities for continued improvement.

2024-006. **FINDING** (Inadequate Controls over Monthly Reconciliations)

The Illinois State Police (Department) did not maintain adequate controls over monthly appropriation, cash receipt, and cash balance report reconciliations.

During testing of Fiscal Years 2023 and 2024 reconciliations between the Office of Comptroller's records and the Department's records, we noted:

- The Monthly Appropriations Status (SB0l) reconciliations for the Fiscal Years Ended June 30, 2024 and 2023 contained unexplained and uncorrected reconciliation discrepancies. The net discrepancies shown on June 30, 2024 and the June 30, 2023 SB0l reconciliations totaled $6,395,589 and $446,388, respectively.

- The year-to-date Monthly Revenue Status (SB04) reconciliations for Fiscal Years ended June 30, 2024 and 2023 contained unexplained reconciliation discrepancies totaling a net amount of $36,195,606 and $58,141,362, respectively.

- The June 30, 2023 Monthly Cash Report (SB05) reconciliation for six of 23 (26%) non-shared funds identified unknown reconciling differences and cash receipts not recorded on the Department's records totaling a net amount of $1,499,964.

Statewide Accounting Management System (SAMS) Manual (Procedure 07.30.20) states the effectiveness of any accounting and financial information system is very much dependent on the accuracy of data submitted and the confidence of its users that the system handled that data properly. SAMS Manual (Procedure 11.40.20) requires the SB0l issued by the Comptroller to be reconciled to the Department's expenditure records within 60 days each month to ensure the early detection and correction of errors. SAMS Manual (Procedure 25.40.20) requires the Department to perform a monthly reconciliation of each receipt account balance of the SB04 within 60 days of each month and notify the Comptroller of any irreconcilable differences. SAMS Manual (Procedure 09.40.10) requires the Department to perform a monthly reconciliation of the SB05. Finally, 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. Good internal controls require sufficient and properly designed accounting records be maintained to adequately control fiscal operations and provide reliable data for necessary management reports.

This finding was first noted during the examination of the two years ended June 30, 2016 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the lack of resources, staff turnover, and the Department's erroneous data within Enterprise Resource Planning System resulted in the weaknesses. During the current examination, Department management indicated the issues noted were due to lack of staffing and oversight.

Failure to reconcile monthly appropriations, cash receipts, and cash balances and contract activity in accordance with the SAMS Manual could lead to unresolved differences between the Department and Comptroller records, inaccurate financial reporting, and undetected loss or theft. (Finding Code No. 2024-006, 2022-008, 2020-005, 2018-010, 2016-009)

RECOMMENDATION

We recommend the Department ensure all required monthly reconciliations are performed, documented, and reviewed timely.

DEPARTMENT RESPONSE

The Department concurs with this finding. Staffing shortages and turnover have continued to present challenges to the timeliness and accuracy of monthly reconciliations, as have ongoing errors in reports generated by the Department's financial system, as also noted in the response to Finding 2024-002.

While the Department has made progress in improving reconciliation timeliness between Fiscal Year 2023 and Fiscal Year 2024, turnover and system issues remain significant barriers. The Department is developing a plan to provide additional staffing support for reconciliation activities and will continue collaborating with the Department of Innovation and Technology (DoIT) to address persistent system-generated report errors.

Regarding the unexplained discrepancies noted in the SB01 and SB04 reconciliations, the Department requested and received supplemental information from the auditors to better understand the procedures and reports used during the audit. This information will be incorporated into the Department's corrective action plans to help further investigate root causes, refine internal reconciliation processes, and strengthen financial reporting controls.

2024-007. **FINDING** (Inadequate Controls over Fee Imposition Reports)

The Illinois State Police (Department) did not submit accurate Agency Fee Imposition Reports (Report) to the Comptroller's Office during the examination period.

During testing, we noted the following:

- For two of 15 (13%) funds reported in the Fiscal Year 2023 Report, total fees of $13,015,687 were reported under incorrect fund numbers.

- The Department was unable to provide explanation for the differences noted between the Reports and the Comptroller's Monthly Revenue Status Reports (SB04) as of June 30, 2023 and June 30, 2024 as follows:

    - Eleven funds with total fees of $175,664,189 and 13 funds with total fees of $237,848,187 per Fiscal Years 2023 and 2024 SB04 reports, respectively, were not included in the Reports.

    - The total fees reported in the SB04 report for seven funds were higher by $21,681,618 compared to the Fiscal Year 2023 Report. In addition, the total fees reported in the SB04 report for eight funds were higher by $28,149,098 compared to the Fiscal Year 2024 Report.

This finding was first noted during the examination of the two years ended June 30, 2020 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

The State Comptroller Act (15 ILCS 405/16.2) and Statewide Accounting Management System (SAMS) Manual (Procedure 33.16.20) require the Department to submit the Agency Fee Imposition Report to the Comptroller by August 1st after the end of each fiscal year. In addition, good internal controls require accurate information be presented in the Reports.

During the prior examination, Department management indicated the Reports were completed using the best data available. During the current examination, Department management indicated amounts reported under incorrect fund number were due to human error during the input of amounts in the Reports. Department management added the differences noted may be due to receipts reported in SB04 reports but qualified as those exempted from Fee Imposition Reports by the SAMS Manual. However, the breakdown of such differences could not be determined due to the complexity of the receipts process and volume of receipts transactions of the Department.

Filing inaccurate Reports results in the Comptroller reporting inaccurate fee information for all agencies to the General Assembly. (Finding Code No. 2024-007, 2022-018, 2020-017)

RECOMMENDATION

We recommend the Department strengthen its controls to ensure required reports are properly reviewed, supported and accurate.

DEPARTMENT RESPONSE

The Department concurs with this finding. The Department has been engaged in a multi-year effort to improve the accuracy of the Agency Fee Imposition Reports. While a GAAP consultant was initially engaged in Fiscal Year 2019, a separate external consultant later provided specific process improvement recommendations, which the Department continues to build upon. Over the past two years, the Department has worked systematically to review and document fees imposed and collected, with the goal of improving accuracy and compliance with applicable requirements.

The Department acknowledges that human error contributed to the misreporting of fees under incorrect fund numbers and will implement additional review procedures and validation checks to reduce the risk of data entry errors in future submissions. Additionally, the Department recognizes that certain discrepancies noted between the Fee Imposition Reports and SB04 data may be the result of receipts exempted from reporting under the SAMS Manual. However, due to the complexity and volume of receipts, further refinement of the process is required to analyze and explain these differences.

The Department is taking a more collaborative and forward-looking approach to this issue by working closely with the Office of Operational Excellence within the Department of Central Management Services and other key stakeholders. The revised Fee Imposition Report template used for Fiscal Year 2024 GAAP reporting marked a step forward, and while improvements remain, the Department has identified several lessons learned that will inform process enhancements for the next reporting cycle. As part of its corrective action plan, the Department will continue refining its reconciliation procedures to better align reported data with the SB04 and will ensure more robust documentation and review processes are in place to support accurate and timely Fee Imposition Reports.

2024-008. **FINDING** (Inadequate Controls over Payroll Voucher Processing)

The Illinois State Police (Department) did not maintain adequate controls over payroll voucher processing.

During testing of 60 payroll vouchers, we noted the following:

- Eleven (18%) payroll vouchers totaling $3,145,787 showed no costs for group insurance were withheld for remittance to the Department of Central Management Services (CMS). The payroll vouchers were paid from the Illinois State Police Federal Projects Fund, State Crime Laboratory Fund, State Police Services Fund, Illinois State Highway Authority Fund, and Road Fund.

  The State Employees Group Insurance Act of 1971 (5 ILCS 375/11) requires the Department which has members paid from funds other than the General Revenue Fund to cooperate with the CMS and the Governor's Office of Management and Budget in order to assure that the specified proportion of the State's cost for group life insurance, the program of health benefits, and other employee benefits is paid by such funds.

- Four (7%) payroll vouchers totaling $10,940,355 did not have approval signature.

  The State Finance Act (30 ILCS 105/9.02(b)(1)) requires every voucher or corresponding balancing report, as submitted by the Department, to bear the signature of the officer responsible for approving and certifying vouchers and if authority to sign the responsible officer's name has been properly delegated, also the signature of the person actually signing the voucher.

  In addition, 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 protect the legal and financial rights of the State.

In addition, during testing of payroll calculations for 60 employees, we noted the following:

- For 14 (23%) employees, the Department was unable to provide documents supporting the Department's share of their group insurance. Thus, we were unable to determine the accuracy of the amount reimbursed by the Department to CMS.

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 protect the legal and financial rights of the State.

- Forty-one (68%) employees had incorrect calculations for employer cost of group insurance. We noted a total difference of $12,934 between the group insurance reimbursement reports for the pay periods tested and the employee benefits reports.

  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 management indicated the exceptions noted were due to employee oversight and lack of resources.

Failure to ensure payroll costs are properly supported, accurately calculated, reviewed, and approved by proper signatories increases the risk of errors or other irregularities that could occur and may result in unnecessary personal services expenditures and loss of State funds. (Finding Code No. 2024-008, 2022-037)

RECOMMENDATION

We recommend the Department strengthen its internal controls over payroll processing to ensure group insurance costs are correctly calculated and withheld, and documentation of voucher approval is maintained.

DEPARTMENT RESPONSE

The Department concurs with this finding, acknowledging that adequate controls were not maintained over payroll voucher processing. Specifically, group insurance payments were not correctly processed, and some payroll vouchers were submitted without the required signature approvals.

In response, the Department has taken several corrective actions to improve the accuracy and oversight of payroll operations. Staff have been re-engaged on the complete group insurance pull process, with emphasis on the required steps necessary to execute it correctly during each payroll cycle. To further reduce the risk of errors, the Department has implemented a daily report generated from the WAGE system to verify all payroll entries from the previous day. This added step functions as a quality control measure to identify and correct discrepancies before voucher submission.

To ensure compliance with signature approval requirements, a formal review process has been implemented to confirm all payroll vouchers submitted to the Office of the Comptroller include appropriate approvals. Signature authority has been formally delegated to ensure each payroll voucher bears the proper authorization prior to submission.

To strengthen accountability, the Department has made organizational adjustments. As of April 1, 2025, a new Payroll Manager position was filled, and effective May 1, 2025, the Payroll Unit transitioned under the supervision of the Human Resources Division. This restructuring is intended to enhance oversight and promote greater consistency in payroll practices.

The Department remains committed to ongoing monitoring and training to ensure payroll processes are accurate, timely, and compliant with all applicable statutory and procedural requirements.

2024-009. **<u>FINDING</u>** (Inadequate Controls over State Vehicles)

The Illinois State Police (Department) did not maintain adequate controls over State vehicles.

As of June 30, 2023 and June 30, 2024, the Department had a total of 2,670 and 2,950 State vehicles, respectively. During testing, we noted inaccuracies in the Department's vehicle records. Specifically, we noted 75 vehicles in Fiscal Year 2023 and 61 vehicles in Fiscal Year 2024 with ending mileage records lower than their respective beginning mileage records.

Due to these conditions, we were unable to conclude the Department's population records were complete and accurate under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36). ***Even given the population limitations noted above which hindered our ability to conclude whether selected samples were representative of the population as a whole***, we performed testing.

During testing of maintenance records of 40 State vehicles, we noted the following:

- Twenty-eight (70%) vehicles had their routine oil change performed 50 to 269,667 miles beyond the allowed interval.
- Twenty-four (60%) vehicles had their tire rotation performed 50 to 269,227 miles beyond the allowed interval.
- Twenty-three (58%) vehicles had their fuel and air filter replaced 62 to 259,667 miles beyond the allowed interval.
- Eighteen (45%) vehicles had their transmission fluid and filter replaced 67 to 250,361 beyond the allowed interval.
- Fourteen (35%) vehicles had their spark plugs and wires replaced 740 to 253,108 miles beyond the allowed interval.
- Fourteen (35%) vehicles had their cooling system drained, flushed, and filled 177 to 199,227 miles beyond the allowed interval.
- Twelve (30%) vehicles had their PCV valve and rear axle lube replaced 890 to 200,361 miles beyond the allowed interval.
- For two (5%) vehicles, the Department was not able to provide their preventive maintenance records. As a result, we were unable to determine whether the vehicles undergone required maintenance procedures in a timely manner.

The Department Vehicle Assignment and Maintenance Directive (EQP-001) requires all operators of State vehicles to maintain their assigned vehicle in accordance with the Preventative Maintenance Schedule (Form 2-41). Form 2-41 requires services to be performed at the following mileage intervals: change oil and filter every 5,000 miles, rotate tires every 10,000 miles, replace fuel and air filter every 15,000 miles, change transmission fluid and filter every 50,000 miles, replace spark plugs and wires every 60,000 miles, drain and fill cooling system every 80,000 miles, and replace PCV valve and rear axle lube every 100,000 miles. The Directive also provides a 500-mile grace period for service mileage intervals to operators to accommodate their operational needs.

The State Records Act (5 ILCS 160/8) requires the Director to make and preserve records containing adequate and proper documentation of 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 Department's activities.

This finding was first noted during the examination of the two years ended June 30, 2020 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated many of the deficiencies identified were the result of record keeping issues rather than a lack of vehicle maintenance being performed. During the current examination, Department management indicated the exceptions were due to employees' failure to provide or maintain adequate documentation for services completed and complete the required services within the proper mileage. Department management added recorded mileage data were incorrect due to human errors in completing fuel card information which supports information entered in the Fleet Management System. These data errors also caused potential exceptions in maintenance reporting.

Failure to adequately maintain vehicles may cost the State significant amounts in future years through additional repair bills and shortened useful lives for vehicles and is considered noncompliance with State laws and regulations. (Finding Code No. 2024-009, 2022-014, 2020-018)

RECOMMENDATION

We recommend the Department review its internal controls over monitoring of its fleet to ensure records are accurate and vehicles receive timely maintenance.

DEPARTMENT RESPONSE

The Department concurs with this finding and is committed to ensuring future compliance with audit recommendations by enhancing education, oversight, and accountability for all personnel assigned Department vehicles. Fleet officers, sworn personnel, civilian (code) personnel, and supervisors have received additional guidance on the importance of adhering to vehicle maintenance schedules accurately and in a timely manner.

Supervisors will continue to be reminded of their responsibility to thoroughly review vehicle maintenance records during semi-annual inspections, which occur each spring and fall. Any violations or discrepancies identified during these inspections will be documented and promptly addressed. For code personnel assigned Department vehicles, fleet officers and supervisors are expected to verify that all maintenance records are accurate, complete, and current. This enhanced review process is intended to strengthen audit controls and overall vehicle maintenance compliance.

Fleet Services Bureau (FSB) staff have completed an initial cleanup of vehicle and equipment records in the Department's FleetFA system. FSB and Troop Fleet officers will continue working together to maintain accurate and up-to-date fleet data. Monthly and quarterly reviews of FleetFA records are now being conducted to identify and resolve missing mileage entries and other data discrepancies. These findings are discussed during monthly fleet meetings between FSB and Troop Fleet officers. In addition, FSB conducts bi-weekly reviews of FleetFA data to identify outstanding issues and ensure they are addressed during these meetings. The Department's current corrective action plan includes a three-tiered review structure designed to improve data accuracy, consistency, and accountability.

To further improve vehicle maintenance tracking, the Department is working to replace the outdated FleetFA system. A pilot program is underway to test new fleet management software that provides automated service alerts and maintenance notifications. The goal is to align the Department's system with that of the Department of Central Management Services (CMS), which will allow for streamlined data entry, automated reminders, and more accurate recordkeeping. Integration with CMS would eliminate duplicate data entry responsibilities currently shared by the Department and CMS and ensure consistency across State agencies.

It is important to note that CMS will retain control over the implementation of both the new fleet management system and the telematics solution responsible for maintenance updates and alerts. CMS will also manage the procurement process, with associated costs passed on to the Department as part of the monthly vehicle maintenance fee. The Department will not be involved in the procurement or direct implementation of these systems.

While the pilot program is ongoing and a definitive implementation timeline has not yet been established by CMS, preliminary results have been promising. The Department will continue to monitor progress and make process improvements to ensure a robust, transparent, and reliable vehicle maintenance tracking system is in place.

2024-010. **FINDING** (Lack of Controls over Service Providers)

The Illinois State Police (Department) did not obtain or conduct timely independent internal control reviews over its service providers.

We requested the Department to provide the population of service providers utilized in order to determine if the Department had reviewed the internal controls over the service providers. The Department did provide a population of service providers; however, they were unable to provide documentation demonstrating the population was complete and accurate.

Due to these conditions, we were unable to conclude the Department's population records were complete and accurate under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36). ***Even given the population limitations noted above, which hindered the ability of the accountants to conclude whether the population was complete***, we performed testing of 24 service providers identified.

The Department utilized various service providers for hosting Department applications, data storage, software maintenance and support and telecommunication services. We requested the System and Organization Control (SOC) reports, contracts and the Department's review of the SOC reports for the service providers identified.

During testing, we noted the Department had not:

- Obtained SOC reports or conducted independent internal control reviews for 19 of 24 (79%) service providers.

- Conducted an analysis of the SOC reports to determine the impact of the modified opinion(s) or noted deviations for 5 of 11 (45%) SOC reports received.

- Conducted an analysis of the Complementary User Entity Controls (CUECs) documented in the SOC reports.

- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control environment.

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.

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, require entities outsourcing their Information Technology (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.

This finding was first noted during the examination of the two years ended June 30, 2020 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the weaknesses were due to lack of staff. During the current examination, Department management indicated the weaknesses were due to lack of staff and competing priorities.

Without having obtained and reviewed SOC reports or another form of independent internal control review, the Department does not have assurance the service providers' internal controls are adequate and operating effectively. (Finding Code No. 2024-010, 2022-012, 2020-010)

RECOMMENDATION

We recommend the Department implement internal controls over its service providers. Specifically, we recommend the Department:

- Develop a process for identifying service providers and assessing the effect on internal controls of these services.
- Obtain SOC reports or conduct independent internal control reviews for its external service providers.
- Perform analyses of SOC reports to determine the impact of the modified opinion(s) or the noted deviations of its service providers.
- Perform analyses of the CUECs documented in SOC reports of its service providers.
- Obtain and review SOC reports for subservice organizations or perform alternative procedures to determine the impact to its internal control environment.

DEPARTMENT RESPONSE

The Department concurs with this finding and acknowledges the importance of implementing comprehensive internal controls over its service providers. We are actively working through the list of auditor recommendations and have made significant progress over the past year. Specifically, we have hired a contractual subject matter expert to assist with developing a formal process for identifying service providers and reviewing their internal control environments. This expert has been instrumental in helping the Department capture the SOC status and required reports from existing contracts and in establishing controls for future procurements. Formal policies and procedures are currently being written, with a targeted completion date of June 30, 2025.

To ensure ongoing compliance, the Department is requesting and reviewing SOC reports, and we are in the process of developing training and materials to support Division heads in understanding and performing their review responsibilities. As part of this process, we have refined our internal documentation tools to clearly distinguish between service providers and vendors, which will serve as a starting point for monitoring current contracts and ensuring appropriate follow-up. A refreshed version of this internal reference will be generated on July 1, 2025, to reflect active contracts for Fiscal Year 2026.

This finding is a continuation of a prior issue. During earlier audits, the Department was informed by the Office of the Auditor General that our list of service providers was incomplete or inaccurate. As a client agency of the Illinois Department of Innovation and Technology (DoIT), which manages all information technology functions and personnel on our behalf, we do not currently have in-house IT expertise to fully and independently review SOC reports. However, the Department is actively working to build out an internal unit with appropriately skilled staff to assume responsibility for completing this required work. In the interim, we will continue to coordinate with DoIT staff assigned to the Department to support the collection and evaluation of SOC reports, including the assessment of CUECs and subservice organizations. These ongoing efforts aim to strengthen our internal control environment and resolve the root causes of this repeat finding.

2024-011. **FINDING** (Failure to Maintain Security Controls)

The Illinois State Police (Department) did not maintain adequate security controls over computer systems to safeguard confidential information.

As a result of the Department's mission to "promote public safety to improve the quality of life in Illinois", the Department collected and maintained a significant amount of confidential information.

We requested the Department provide the population of application users for 10 applications utilized by the Department. In response to our request, the Department provided the user listings. We tested a sample of user access, noting the following:

- Access of 33 of 60 (55%) samples were noted to have been granted prior to approval, and/or approval forms were not filled-in properly.
- Thirty-seven of 62 (60%) noted separated users have not been terminated or have been untimely removed from the systems.
- Documentation was not provided to determine if the users' access was appropriate for eight of 94 (9%) users of DoIT applications.
- The Department did not provide documentation of the annual review of the user access rights during the engagement period.

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), Access Control section, requires entities to obtain approval for individuals access to the environment and applications, and to terminate access upon separation.

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 noted during the examination of the two years ended June 30, 2010 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the lack of staffing resulted in the weaknesses. During the current examination, Department management indicated management oversight and competing priorities resulted in the weaknesses.

Failure to ensure user access and security controls are appropriate could result in inappropriate access to the Department's applications and data. (Finding Code No. 2024-011, 2022-013, 2020-011, 2018-006, 2016-005, 2014-005, 12-8, 10-3)

RECOMMENDATION

We recommend the Department maintain documentation of all users for each of their applications and ensure user access is properly authorized and documented. In addition, we recommend the Department conduct annual reviews of users' access rights to the Department's applications.

DEPARTMENT RESPONSE

The Department concurs with this finding. The Department will maintain documentation of all User Identification/Attribute Forms (ISP 2-203) for new employees, current employees whose job titles or duties change, and separating employees, to ensure that all user access is properly authorized and documented.

This finding stems from a previous audit issue. Although the Department initiated significant corrective action steps in response to the earlier finding, those actions were not fully implemented during the current audit cycle. Since then, the Department has continued to implement additional corrective measures to address the issue more comprehensively.

In response to the previous examination's Finding 2022-013 – Failure to Maintain Security Controls Over Computer Systems, the Division of Justice Services (DJS) developed a corrective action plan designed to fulfill the auditor's recommendations. This plan emphasized the importance of maintaining thorough documentation for all system users and ensuring proper authorization of access. As part of these efforts, Department policy SRV-204 was updated on December 4, 2023, and SRV-216 was updated on December 6, 2023. Additionally, ISP 2-203 continues to be revised on an ongoing basis to reflect changes as systems and applications are implemented or decommissioned.

The Department will continue to operate under the revised SRV-204 and SRV-216 to ensure compliance with internal access controls. Furthermore, the Department will develop a formalized plan to conduct annual reviews of user access rights, enhancing oversight and ensuring long-term accountability.

2024-012. **FINDING** (Noncompliance with the Firearm Owner's Identification Card Act)

The Illinois State Police (Department) did not comply with the requirements of the Firearm Owner's Identification (FOID) Card Act.

- During testing of FOID applications, we noted for all 14 (100%) FOID renewal applications tested, the renewal fees were deposited into the State Police Revocation Enforcement Fund instead of the State Police Firearm Services Fund.

  The FOID Card Act (430 ILCS 65/5(b)) states the cost for a renewal application shall be $10, and shall be deposited into the State Police Firearm Services Fund.

- During testing of expiring FOID cards, we noted two of 40 (5%) cardholders were not notified by the Department that their FOID cards were expiring within 180 days, 19 days late.

  The FOID Card Act (430 ILCS 65/13.2) requires the Department provide notification to the FOID cardholders 180 days prior to the expiration of the card and provide instructions for renewal.

This finding was first noted during the examination of the two years ended June 30, 2020 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the Firearm Services Bureau (FSB) has not been able to keep up with the volume of applications due to lack of resources. During the current examination, Department management indicated the deposit of renewal fees were not corrected to funnel directly to the State Police Firearm Services Fund due to statutory changes. Further, the late notification of expiring FOID cards was not identified due to the Department vendor being unable to explain the delay in the automated notification process.

Failure to maintain proper internal controls to provide timely notifications could result in renewal applicants having an expired license. Additionally, depositing application fees to incorrect fund constitutes noncompliance with the Act and could result in inaccuracies in deposits and shortages to the applicable funds. (Finding Code No. 2024-012, 2022-009, 2020-007)

RECOMMENDATION

We recommend the Department ensure notifications to FOID cardholders are sent in a timely manner and ensure fees are deposited in accordance with the Act.

DEPARTMENT RESPONSE

The Department concurs with this finding and agrees with the auditor's recommendation that the Department should ensure timely notifications to FOID cardholders and proper deposit of fees in accordance with the Firearm Owners Identification Card Act.

The root cause of this finding was an oversight in the timely deposit of funds and the need for additional safeguards to ensure required notifications are sent to FOID cardholders in compliance with statutory timelines.

The FSB has collaborated with its vendor to implement system safeguards that ensure FOID notifications are sent in a timely manner, as required by statute. In parallel, FSB has worked with the Office of Finance to ensure that FOID renewal fees are properly deposited into the State Police Firearm Services Fund, in accordance with statutory requirements.

Moving forward, FSB will conduct periodic audits of FOID notifications to confirm compliance with statutory requirements. Additionally, the Bureau will continue to work with the Office of Finance to audit FOID renewal transactions and ensure that all fees are accurately and promptly deposited.

These corrective measures reflect the Department's commitment to strengthening internal controls and ensuring continued compliance with applicable laws and regulations.

2024-013. **FINDING** (Weakness in Cybersecurity Programs and Practices)

The Illinois State Police (Department) had not implemented adequate internal control related to cybersecurity programs and practices.

As a result of the Department's mission to "promote public safety to improve the quality of life in Illinois", the Department maintains computer systems that contain large volumes of confidential information such as names, addresses, Social Security numbers, and criminal information of the citizens of the State.

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 Department's cybersecurity programs, practices, and control of conditional information, we noted the Department had not:

- Documented a risk assessment methodology, and had not conducted a comprehensive risk assessment or implemented risk reducing internal controls.

- Performed a business impact analysis.

- Formally developed policies and procedures to ensure adequate protection of information for each data classification level.

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.

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 noted during the examination of the two years ended June 30, 2020 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, the Department disagreed with the finding as they believed the Department of Innovation and Technology was responsible for cybersecurity controls. During the current examination, the Department indicated the weakness was due to conflicting priorities and lack of staff.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities, which could ultimately lead to the Department's confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2024-013, 2022-016, 2020-013)

RECOMMENDATION

We recommend the Department:

- Adopt and document a risk assessment methodology;
- Conduct a comprehensive risk assessment or implemented risk reducing internal controls;
- Perform a business impact analysis on a periodic basis; and
- Develop policies and procedures to ensure adequate protection of information for each data classification level.

DEPARTMENT RESPONSE

The Department concurs with this finding and agrees that the Department should adopt and document a risk assessment methodology, conduct business impact analyses, and develop policies and procedures to ensure the protection of information across all classification levels.

This finding is a continuation of a previous audit issue. Although the Department initiated significant corrective actions in response to the earlier finding, those measures were not fully implemented during the current audit cycle. Since that time, the Department has continued to advance and strengthen its corrective efforts.

To address the recommendation, the Division of Justice Services (DJS) created and implemented SRV-229 on April 15, 2024, and updated both SRV-227 and SRV-228. These actions reflect the Department's commitment to adopting a formal risk assessment methodology, performing comprehensive business impact analyses, and establishing robust policies and procedures to protect information according to its classification level.

These efforts are part of the Department's broader strategy to enhance data security, ensure compliance with applicable standards, and mitigate risk across its information systems.

2024-014. **FINDING** (Inadequate Controls over Employee Attendance Records)

The Illinois State Police (Department) did not maintain adequate controls over employee attendance records.

During testing of attendance records for 60 employees, we noted the following:

- Eleven (18%) employees failed to obtain prior approval for leave requests. There were 31 instances for these employees which were approved two to 19 days late.

  The Illinois Administrative Code (Code) (80 Ill. Admin. Code 303.350) requires State employees to provide advance notice of absence whenever possible. Department Directives for Timekeeping (PER-025) requires employees to submit requests for employee absences electronically or through a Request for Time Off form (ISP 1-021), which should be approved by their immediate supervisor. The Directive added absences not reported within one hour of the start of a shift are considered unauthorized.

- For 46 (77%) employees with work schedules other than the normal work day required by the Department's Employee Handbook, the Department was unable to provide copy of the approved working schedule.

  The Code (80 Ill. Admin. Code 303.300) requires the Department to establish its regular work schedule. Consequently, the Department Directive for Timekeeping (PER-025) and Employee Handbook states the normal workday is from 8:30 a.m. to 5:00 p.m. The Handbook adds flexible schedules are available to employees upon request from their immediate supervisor. Finally, 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 protect the legal and financial rights of the State.

- For three (5%) employees, the Department was unable to provide the daily time reports for three periods. In addition, for two (3%) employees, the Department was unable to provide documents supporting approval of the overtime paid.

  The Illinois Administrative Code (80 Ill. Admin. Code 303.340) requires the Department to maintain accurate daily attendance records. The State Officials and Employees Ethics Act (5 ILCS 430/5-5c) requires State employees to periodically submit time sheets on paper or electronically and are to be maintained by the applicable fiscal office for a period of at least two years. The Department Directives for Timekeeping (PER-025) requires the Department to maintain individual timekeeping records. Finally, 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 protect the legal and financial rights of the State.

- For 41 (68%) employees, 234 of 247 (95%) overtime requests totaling 548 hours did not have the related overtime requests approved in advance. Fifty-four overtime requests were approved within the day but after the overtime period, and the remaining 180 overtime requests were approved one to 400 days late.

  The Department Directives for Overtime (PER-026) requires employees to request prior authorization before incurring overtime and notify their supervisors as soon as possible in situations where special or emergency circumstances prevent the employee from obtaining prior authorization. PER-026 added all overtime requests must have prior authorization before being worked unless under special circumstances or an emergency.

This finding was first noted during the examination of the two years ended June 30, 2020 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the employee absences and timesheets not timely submitted and approved could be due to employee and supervisor oversight, extended leaves, or change of supervisor in the system. Department management added the missing overtime approvals were due to the approvals being made verbally or by email rather than in eTime. During the current examination, Department management indicated the exceptions noted were still due to oversight, extended leaves, and continuing changes in supervisory assignments. These factors can disrupt the standard approval workflow, leading to delays. Additionally, Department management indicated the missing overtime approvals were due to approvals being communicated verbally or via email rather than being documented in eTime.

Failure to maintain adequate controls over employee attendance records results in noncompliance with State regulations and Department Directives. In addition, failure to ensure leave and overtime requests are approved in advance undermines accountability controls and may result in unnecessary waste of State resources. (Finding Code No. 2024-014, 2022-019, 2020-019)

RECOMMENDATION

We recommend the Department ensure employees submit request for leave and overtime, and weekly timesheets in accordance with the Code and Department Directives. We also recommend supervisors timely review timesheets and approve overtime prior to being worked. Finally, we recommend the Department maintain documentation supporting the approval of work schedules different from normal working hours.

DEPARTMENT RESPONSE

The Department concurs with this finding and agrees with the auditor's recommendation to ensure that employees submit leave and overtime requests, as well as weekly timesheets, in accordance with the Illinois Administrative Code and Department Directives. The Department also concurs with the recommendation that supervisors should review timesheets in a timely manner, approve overtime prior to it being worked when feasible, and maintain documentation supporting approval of work schedules that differ from standard hours.

The Department acknowledges the gaps in documentation and timeliness identified during the audit. However, it is important to recognize that, particularly for sworn personnel, the unpredictable nature of law enforcement duties may prevent pre-approval of overtime in the traditional sense. Department policy does not require that overtime be pre-approved specifically within the ETime system. Rather, it allows for prior approval in any form, including verbal or written communications, to accommodate the operational realities of public safety roles.

The Department has taken several steps to improve timekeeping processes, some of which were implemented during the audit period under a Corrective Action Plan (CAP). A monthly audit of outstanding timesheets was initiated to improve compliance and accountability across all divisions. Regular reminders are sent to Chiefs of Staff to ensure employees complete and submit their timesheets on time. Additionally, timekeeping requirements have been incorporated into the Department's new employee orientation to reinforce the importance of accurate and timely reporting from the start of employment.

Efforts are underway to expand communication and training for supervisors on documentation standards for alternative work schedules and appropriate methods of overtime approval. The Department is also enhancing its tracking tools to better monitor the timely submission and approval of timesheets. Periodic internal audits will continue to be conducted to assess adherence to policies and identify opportunities for further improvement in the Department's timekeeping practices.

2024-015. **FINDING** (Noncompliance with the Fiscal Control and Internal Auditing Act)

The Illinois State Police (Department) did not comply with the Fiscal Control and Internal Auditing Act (Act).

During testing, we noted the following:

- The Department's Office of Inspection and Audits (I&A) office did not perform internal audit on obligations, expenditures, and use of public funds of the State, and of any funds held in trust by the Department during the examination period.

  The Act (30 ILCS 10/2003(a)(2)) requires the Director to ensure the internal auditing program includes audits of major systems of internal accounting and administrative control conducted on a periodic basis so that all major systems are reviewed at least once every 2 years. Such audits must include testing of the obligation, expenditure, receipt, and use of public funds of the State and of funds held in trust to determine whether those activities are in accordance with applicable laws and regulations.

  Department management indicated this exception was due to resource constraints and the prioritization of certain special request audits and other system implementation reviews.

- The Department maintained approximately 73 electronic data processing (EDP) systems which contained critical, financially sensitive or confidential data. We noted the I&A had not performed a pre-implementation review for four of eight (50%) major new systems, or modifications to existing systems during the examination period.

  The Act (30 ILCS 10/2003(a)(3)) requires the Director to review the design of major new EDP systems and major modifications of those systems before their installation to ensure the systems provide for adequate audit trails and accountability.

  Department management indicated this exception was due to oversight of the respective Department unit utilizing the EDP systems such that the I&A office was not appropriately notified regarding the implementation of major new systems, or modifications to existing systems.

- For one of three (33%) internal audit reports tested, the related documentation did not include the engagement timeline.

The International Professional Practices Framework (IPPF) Implementation Guide for Standard 2230 requires documents that may demonstrate conformance with the Standard include supporting documentation that generally shows the distribution of activities for each internal auditor, as well as the timeline assigned to the engagement.

Department management indicated this exception was due to oversight.

Failure to perform regular audits of major systems of internal and administrative controls may result in internal control weaknesses not being detected timely and represents noncompliance with the Act. Failure to perform periodic reviews of the design of major new EDP systems and major modifications to existing systems prevents the Department from detecting potential system risks prior to implementation and results to noncompliance with the Act. Failure to document the engagement timeline results to noncompliance with the IPPF Standards. (Finding Code No. 2024-015, 2022-020, 2020-020)

RECOMMENDATION

We recommend the Department strengthen its controls within its internal audit function to ensure audits of major systems of internal accounting and administrative controls are conducted on a periodic basis, new major systems are reviewed before implementation, and internal audit documentation comply with applicable standards.

DEPARTMENT RESPONSE

The Department concurs with this finding. The I&A is committed to strengthening its internal audit function by enhancing controls and ensuring adherence to applicable standards.

To address this, the I&A will hire qualified code auditors to support the periodic auditing of major systems of internal accounting and administrative controls. In addition, the Department will promote internal collaboration to ensure that all new major systems are reviewed prior to implementation. The I&A will also continue to emphasize supervision and documentation review to ensure that all internal audit work products comply with professional standards and best practices.

These actions reflect the Department's ongoing commitment to strengthening its internal oversight processes and ensuring the integrity and effectiveness of its audit function.

2024-016. **FINDING** (Contingency Planning Weaknesses)

The Illinois State Police (Department) had not conducted adequate contingency planning of its computer systems.

The Department carries out its mission through the use of various application systems considered critical to its operations, in addition to applications managed by the Department of Innovation and Technology (DoIT). During the examination period, the Department had partially documented contingency plans for critical business applications. Out of 73 identified applications, four contingency plans have not been completed (5%). Further, testing of the recovery plans has not yet been performed during the period.

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 to maintain accountability over the State's resources.

This finding was first noted during the examination of the two years ended June 30, 2016 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the lack of resources resulted in the inability to develop a contingency plan. During the current examination, Department management indicated the contingency plans have not been tested as the plans are not yet completely documented.

Failure to adequately develop and test the disaster contingency plan exposes the Department to the potential of failing to recover applications and data within an acceptable timeframe leading to major disruptions of services. (Finding Code No. 2024-016, 2022-023, 2020-023, 2018-013, 2016-013)

RECOMMENDATION

We recommend the Department implement and document the controls over its computing environment and ensure the controls provide sufficient protection.

DEPARTMENT RESPONSE

The Department concurs with this finding and agrees that the Department should implement and document controls over its computing environment to ensure those controls provide sufficient protection.

This finding is a continuation of a prior audit issue. Although the Department initiated significant corrective action following the previous audit, those measures were not yet fully implemented during the current audit cycle. Since then, the Department has continued to take steps to further address the issue. As a result of these efforts, the Department has successfully completed 69 out of the 73 disaster recovery (DR) plans identified in the earlier finding.

To support these efforts, Department policy OPS-100 was updated on December 4, 2023, reflecting improved procedures and expectations regarding disaster recovery planning. The Department is actively working with its vendors to collect and consolidate all DR plans into a centralized database, creating a single, comprehensive resource for disaster recovery documentation. Additionally, the Department has instituted a requirement that all new applications must have a fully developed DR plan prior to implementation.

Moving forward, the Department will prioritize the completion and collection of DR plans for the four remaining applications referenced in the current audit finding, ensuring that disaster recovery preparedness is comprehensive and up to date.

2024-017. **FINDING** (Noncompliance with Accident Reporting Requirements)

The Illinois State Police (Department) did not properly submit required documentation following automobile accidents.

During testing of 40 vehicle accidents, we noted the following:

- Six (15%) accidents were reported to the Department of Central Management Services (CMS) between one and 83 days late.

- For one (3%) accident, the Department was unable to provide the *Illinois Motorist Report* (Form SR-1) submitted by the Department to CMS. As a result, we were unable to determine the timeliness of its submission.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5040.520(i)) requires the Department to submit Form SR-1 to the Auto Liability Unit at CMS within seven calendar days following the incident, or risk forfeiture of coverage under the State's liability plan.

The State Records Act (5 ILCS 160/8) requires the head of each Department to make and preserve records containing adequate and proper documentation of 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 Department's activities.

This finding was first noted during the examination of the two years ended June 30, 2020 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the exceptions were due to late submissions and entry errors by the vehicle operators. During the current examination, Department management indicated the Fleet Services Bureau was utilizing the services of a contractual worker to handle crash reporting responsibilities, and the deadline was likely missed due to oversight.

Failure to properly submit accident reports constitutes noncompliance with the State regulations and poses potential litigation risks. (Finding Code No. 2024-017, 2022-024, 2020-025)

RECOMMENDATION

We recommend the Department strengthen its controls over monitoring of vehicle accidents to ensure these are timely reported and related documentation are properly maintained.

DEPARTMENT RESPONSE

The Department concurs with this finding and acknowledges that required documentation related to vehicle accidents was not consistently submitted within mandated timeframes.

In response, the Department has taken steps to improve the process for identifying, documenting, and submitting vehicle accident reports in a timely and compliant manner. The crash reporting system now generates automated email notifications to the Fleet Safety Officer upon the occurrence of a vehicle accident. This enhancement improves situational awareness and allows for more timely initiation of the reporting process.

To further strengthen controls, the Fleet Safety Officer has been tasked with ensuring that all required documentation is submitted to CMS within the specified timeframe. Additionally, efforts are underway to ensure more than one staff member is trained on the SR-1 reporting process, reducing the risk of delays due to staffing or availability issues.

The Department is also reviewing the Joint Committee on Administrative Rules (JCAR) provisions under Section 5040.520 to support updates that would allow for alternate documentation in lieu of the SR-1, where applicable. Although an SR-1050 crash report is already completed for every incident, capturing the same information as the SR-1, excluding the driver's statement, continued coordination with CMS will be pursued to streamline and clarify reporting expectations for State agencies.

Further corrective actions include enhanced internal messaging, development of training materials, and formal training sessions for Fleet officers regarding proper crash documentation procedures and required timelines. These efforts are intended to promote consistency and compliance across all work units and geographic areas of the Department.

To improve the accuracy and efficiency of reporting, the Department is exploring the use of electronic versions of crash-related forms. Electronic processing is expected to reduce delays, improve accuracy, and ensure quicker submission of complete documentation while maintaining necessary review and approval steps.

Ongoing coordination between Fleet Services and operational divisions, including the Division of Patrol, will reinforce the importance of timely and accurate crash reporting. Enhanced communication, internal policy reviews, and regular meetings are part of a continuous improvement effort to address recurring issues noted in this finding.

2024-018. **FINDING** (Inadequate Controls over Performance Evaluations)

The Illinois State Police (Department) did not maintain adequate controls over employee performance evaluations.

During testing of performance evaluations for 60 employees during Fiscal Years 2023 and 2024, we noted the following:

- Six (10%) employees did not have performance evaluations for one or both fiscal years.

- The performance evaluations for two (3%) employees were completed 15 and 195 days late for one of the fiscal years.

The Department Directives on Employee Evaluations (PER-102) requires certified code employees to have a performance evaluation completed on an annual basis. In addition, the Illinois Administrative Code (80 Ill. Admin. Code 302.270) requires the Department to prepare an evaluation on employees not less often than annually. Further, the agreement between the State of Illinois and American Federation of State, County and Municipal Employees Council 31 (AFSCME Art. XVII, Sec. 2) requires the Department to conduct evaluation within four months (120 days) after the end of the 12-month period covered by the evaluation. Finally, prudent business practices require employee performance evaluations to be performed timely to communicate to employees the strengths and deficiencies in meeting their job responsibilities.

This finding was first noted during the examination of the two years ended June 30, 2020 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated performance evaluations were not prepared or not prepared timely due to the continuation of reduction in staff, causing supervisors to assume additional duties and responsibilities, leaving less time for administrative functions. Department management added the pandemic further limited the Department's ability to complete the evaluations. During the current examination, Department management indicated the exceptions noted were still due to staff shortages limiting the time of supervisors to complete or untimely complete the required performance evaluations.

Employee performance evaluations are a systematic and uniform approach for the development of employees and communication of performance expectations to employees. Employee performance evaluations serve as a foundation and documentation for salary adjustments, promotions, demotions, discharges, layoff, recall, or reinstatement decisions. Lack of performance evaluation or untimely completion of performance evaluation may result to employee not being provided with formal feedback or assessment of his or her performance, and areas for improvement and current year's performance goals and objectives may not be identified and communicated in a timely manner. (Finding Code No. 2024-018, 2022-025, 2020-026)

RECOMMENDATION

We recommend the Department ensure performance evaluations are conducted annually as required by its Directive and the Illinois Administrative Code.

DEPARTMENT RESPONSE

The Department concurs with this finding and agrees with the auditor's recommendation to ensure that performance evaluations are conducted annually, as required by Department Directive and the Illinois Administrative Code.

The performance evaluation process involves multiple individuals and is based on a specific due date each year. Both the supervisor and the employee share responsibility for completing and approving the evaluation, which is then submitted to Human Resources for processing. Delays can occur at various stages of this process, whether during completion, approval, or submission, which ultimately affect the Department's ability to ensure evaluations are finalized on time. The Department relies on each division to meet these deadlines to allow Human Resources to process evaluations in a timely manner.

To address this issue, a performance evaluation tracking system was implemented in May 2025. This system allows for real-time monitoring of evaluation status and provides advance notifications to each division. Divisions now receive reminders 30 days prior to the due date of each annual evaluation, which enhances oversight and helps prevent delays. This improvement strengthens the Department's ability to meet evaluation requirements and helps ensure compliance moving forward.

2024-019. **FINDING** (Inadequate Controls over Employee Training)

The Illinois State Police (Department) did not maintain adequate controls over employee training.

During testing of training records for 20 employees hired during the examination period, we noted the following:

- One (5%) employee did not complete the initial ethics training. In addition, one (5%) employee completed the initial ethics training 169 days late.
- One (5%) employee did not complete the initial harassment and discrimination prevention training.

During testing of training records for 60 employees for the calendar years 2022 and 2023, we noted the following:

- Six (10%) employees did not complete the annual emergency medical responder (EMR) training for one or both years.
- Three (5%) employees did not complete the annual physical fitness inventory testing (PFIT) training for one year.
- Two (3%) employees did not complete the annual hazardous materials training for one or both years.
- Two (3%) employees did not complete the annual firearms training for one or both years.
- One (2%) employee did not complete the annual harassment and discrimination prevention training for one year.
- One (2%) employee did not complete the annual controls and arrest tactics training for both years.
- One (2%) employee did not complete the annual security awareness training for one year.

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/5-10) requires newly hired employees to complete an initial ethics training within 30 days after commencement of employment. The Act (5 ILCS 430/5-10.5) also requires each officer, member, and employee to complete a harassment and discrimination prevention training program at least annually and within 30 days after commencing of employment.

The Department Directives for Education and Training (PER-012) requires sworn personnel and code employees in a police officer or inspector position to be subject to mandatory annual training including hazardous materials training, PFIT training, EMR training, firearms qualification and training, and control and arrest tactics training.

The Data Security on State Computers Act (20 ILCS 450/25(b)) requires every employee to annually undergo training by the Department of Innovation and Technology concerning cybersecurity. The Identity Protection Act (5 ILCS 179/37) requires the Department to require all employees identified as having access to social security numbers in the course of performing their duties to be trained to protect the confidentiality of social security numbers.

This finding was first noted during the examination of the two years ended June 30, 2020 and Department officials took steps to implement corrective actions; however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the deficient training was due to oversight. During the current examination, Department management indicated the exceptions were due to lack of staffing and oversight.

Employees who have not received the minimum training may not be receiving important information and background preparation for their specific job duties. Training is crucial to Department employees, especially in the case of officers who are tasked to enforce State laws and improve public safety. Furthermore, information might be compromised if employees are not informed of the proper handling of confidential data and appropriate responses to data breaches. Finally, failure to ensure employees are properly trained results to noncompliance with Department Directives and the Acts. (Finding Code No. 2024-019, 2022-026, 2020-028)

RECOMMENDATION

We recommend the Department strengthen its controls over monitoring of employee trainings to ensure employees comply with training requirements required by its Directives and State laws.

DEPARTMENT RESPONSE

The Department concurs with this finding and acknowledges the need to strengthen internal controls over employee training to ensure compliance with applicable statutes, directives, and policies.

To address these deficiencies, the Department is actively collaborating with the Department of Innovation and Technology (DoIT) and OneNet staff to ensure that all new employee accounts are accurately established within the OneNet system. Proper onboarding is critical to maintaining accurate training records and ensuring timely assignment of required courses.

The Department has also established bi-monthly coordination with Human Resources to verify employee hires, transfers, and separations. This process enhances visibility over personnel movements and allows for more accurate and timely updates to training requirements based on an employee's role or assignment.

To promote accountability, quarterly training reminders are distributed to all Division Chiefs of Staff, outlining mandatory training requirements for their respective areas. Each Division Chief is responsible for confirming timely completion of all required training by their personnel. Additionally, a department-wide reminder was issued in December 2024 to reinforce the importance of completing all annual training obligations; this practice will continue in future years.

The Department is also in the process of implementing a new Learning Management System, the Vector Solutions Acadis Readiness Suite. While the implementation is in its initial stages, future phases will include the integration of historical training records, enhanced tracking capabilities, and real-time access to training compliance data for supervisors. Full implementation is anticipated by calendar year 2026.

These corrective actions demonstrate the Department's commitment to improving oversight, reinforcing training compliance, and ensuring that all employees, particularly those in law enforcement and public safety roles, receive the critical instruction necessary to perform their duties effectively and in accordance with legal requirements.

2024-020. **FINDING** (Noncompliance with the Federal Regulations on Form I-9)

The Illinois State Police (Department) did not comply with the Federal Regulations regarding Employment Eligibility Verification Forms (Form I-9).

During testing of 60 employees, we noted the following:

- The Form I-9 for four (7%) employees could not be located.
- The Form I-9 for one (2%) employee was signed 668 days after hire date.

The Code of Federal Regulation (CFR) (8 CFR § 274a.2), Verification of Identity and Employment Authorization, designates the Form I-9 as the means of documenting this verification. In addition, the CFR requires employers to retain a copy of the original signed version of Form I-9 for three years after the date of the hire or one year after the date the individual's employment is terminated, whichever is later. The CFR further requires a person or entity that hires or recruits or refers for a fee an individual for employment must ensure that the individual properly completes section 1 - "Employee Information and Verification" - on the Form I-9 at the time of hire and signs the attestation.

This finding was first noted during the examination of the two years ended June 30, 2020 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the missing I-9 forms were due to oversight. During the current examination, Department management indicated the exceptions were due to pushbacks from the union of employees and lack of actions from various divisions of the Department in ensuring requirements for I-9 forms are complied with.

Failure to complete and retain I-9 forms within the required timeframe results in noncompliance with the federal regulation. (Finding Code No. 2024-020, 2022-027, 2020-029)

RECOMMENDATION

We recommend the Department ensure the Form I-9 is completed and retained for all employees.

DEPARTMENT RESPONSE

The Department concurs with this finding and agrees with the auditor's recommendation to ensure that Form I-9 is properly completed and retained for all employees in accordance with federal requirements.

The documentation issues identified during the audit were largely the result of outdated onboarding processes that did not consistently support the timely collection and secure retention of Form I-9 for new hires. Additionally, several employees included in the audit sample were hired prior to the implementation of a Corrective Action Plan (CAP) in August 2023, during which time procedures for collecting and storing I-9 forms were not uniformly enforced. These gaps contributed to the lapses in documentation noted by the auditors.

To address these issues and strengthen internal controls, the Department implemented a series of corrective actions beginning in August 2023. A comprehensive audit was conducted to verify that a completed Form I-9 is on file for all current employees. The Form I-9 is now a required component of the onboarding packet for all new hires and must be completed as part of New Employee Orientation. Identification documents used to complete the form are retained alongside the I-9, and all forms are now stored separately from personnel files, secured in designated binders with digital copies maintained on a secure internal server.

Moving forward, the Department will continue its efforts to ensure compliance by conducting periodic audits of I-9 records, providing refresher training to HR staff on federal I-9 requirements, and routinely reviewing and updating onboarding procedures to promote timely and accurate form completion and retention for all future hires.

2024-021. **FINDING** (Inadequate Controls over Payroll Files)

The Illinois State Police (Department) did not maintain adequate controls over payroll files.

During testing of payroll deductions for 60 employees, we noted the following:

- For 27 (45%) employees, the Department incorrectly withheld the federal and/or State taxes based upon the employee's Federal and Illinois W-4 Employee's Withholding Allowance Certificates (Form C-25).

- For one (2%) employee, the Department was unable to provide the Federal W-4 Employee's Withholding Allowance Certificate indicating his tax filing status. Thus, we were unable to determine the accuracy of his related withheld federal taxes.

- For eight (13%) employees, the Department incorrectly withheld the Federal Insurance Contribution Act (FICA) taxes or FICA Medicare.

- For five (8%) employees, the Department incorrectly calculated the contributions to the State Employment Retirement System (SERS).

In addition, during testing of personnel files for 60 employees, we noted the following:

- For seven (12%) employees, the salary per payroll voucher did not agree with the approved salaries per Official Action Request (OAR) Form (for sworn officers) and Personnel Action (PA) Form (for other than sworn officers). As a result, the Department overpaid net salaries totaling $4,786 for the pay periods tested for the seven employees.

- For three (5%) employees, the Department was unable to provide the approved OAR and PA Forms. Thus, we were unable to determine whether their salary per payroll is accurate.

The State Salary & Annuity Withholding Act (5 ILCS 365/3) provides the Comptroller with the directive to withhold deductions from an employee's salary based upon the withholding authorization which the employee has completed.

Statewide Accounting Management System (SAMS) Manual (Procedure 23.10.30) states the Department is responsible for completing the payroll voucher each pay period and attesting to the employee's rate of pay, gross earnings, deductions, net pay, and other required information on the voucher and file.

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 protect the legal and financial rights of the State.

This finding was first noted during the examination of the two years ended June 30, 2020 and Department officials took steps to implement corrective actions, however, exceptions still persist. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated the differences in calculating withholding were due to personnel not entering the most up-to-date or correct Form C-25 information into the payroll system. During the current examination, Department management indicated the exceptions were due to lack of resources and oversight.

Failure to properly review and calculate payroll deductions and maintain current deduction and personnel forms in employee files resulted improper and inaccurate withholding from an employee's pay and represents noncompliance with the SAMS Manual and State laws. (Finding Code No. 2024-021, 2022-028, 2020-030)

RECOMMENDATION

We recommend the Department implement controls to ensure employee withholdings are accurate and supporting payroll files are properly maintained.

DEPARTMENT RESPONSE

The Department concurs with this finding and agrees with the auditor's recommendation to implement controls that ensure employee withholdings are accurate and that supporting payroll documentation is properly maintained. The Department acknowledges instances in which incorrect federal or State taxes were withheld based on employees' withholding certificates, as well as errors related to deductions for FICA, which includes Social Security and Medicare, and the miscalculation of contributions to SERS.

To address these issues, the Department has strengthened its internal verification processes. Each submitted form is now verified and cross-checked against the employee's withholding certificate and retirement tier determination forms during payroll audits. This review helps ensure that deductions are made accurately and in accordance with employee elections and statutory requirements.

To further enhance oversight, a new Payroll Manager was hired effective April 1, 2025. Additionally, the Payroll Unit was placed under the supervision of the Department's Human Resources Bureau as of May 1, 2025. These organizational changes are intended to provide stronger oversight and accountability for payroll operations. Cross-checking protocols are actively enforced within the Department to minimize errors and to ensure that all payroll-related forms are entered correctly and properly filed.

Current procedures also ensure that employee communications are processed promptly. Systems are in place to confirm that no emails are missed and that all information received from employees is acted upon in a timely and accurate manner. These steps collectively support the Department's efforts to ensure payroll accuracy and compliance moving forward.

2024-022. **FINDING** (Inadequate Controls over Return and Deactivation of Telecommunication Devices)

The Illinois State Police (Department) did not maintain adequate controls over returned and deactivated telecommunication devices.

During testing of 23 deactivated telecommunication devices, we noted the following:

- The Department could not provide evidence when 16 (70%) telecommunication devices were returned, therefore, we were unable to determine if the devices were returned or cancelled timely.

- Thirteen (57%) telecommunication devices had deactivation requests submitted six to 633 days late.

The State Records Act (5 ILCS 160/8) requires the Director to make and preserve records containing adequate and proper documentation of the 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 Department's activities.

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, which shall provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation, and that transfers of assets are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over the State's resources. Good internal controls require the Department to maintain documentation supporting the actual date of devices' return.

The Department Directives (ADM-019 Section IV.B.3.b.) require the Telecommunication division to request termination for the line of service within 30 calendar days from the date of notification of the Department of Innovation and Technology (DoIT) End User Computing (EUC) Unit. In addition, the Telecommunication division is required to maintain documentation to demonstrate compliance.

This finding was first noted during the examination of the two years ended June 30, 2020. In the subsequent years, the Department has failed to implement corrective actions to remedy the deficiencies. In addition, the Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

During the prior examination, Department management indicated there was not a procedure for ensuring cell phones were returned and cell phones were not tracked due to not meeting the inventory requirements for the phones to be tagged. During the current examination, Department management indicated corrective actions were implemented in January 2024 and the exceptions noted were before the directives and training were put into practice.

Failure to maintain adequate controls over the return and deactivation of telecommunication devices could result in lost or stolen State property and unnecessary telecommunication service charges. (Finding Code No. 2024-022, 2022-029, 2020-031)

RECOMMENDATION

We recommend the Department maintain adequate documentation to support the return and timely deactivation requests of telecommunication devices upon employee termination.

DEPARTMENT RESPONSE

The Department concurs with this finding and affirms its commitment to maintaining adequate documentation to support the return and timely deactivation of telecommunication devices upon employee separation.

This finding is a continuation of a prior audit issue. Although the Department took significant corrective steps following the previous finding, those efforts had not been fully implemented at the time of this audit cycle. Since then, the Department has continued to strengthen and implement additional corrective actions to fully address the deficiency.

In response to the previous examination's Finding 2022-029 – Inadequate Controls Over Cell Phones, the Division of Justice Services (DJS) developed a corrective action plan aligned with the auditor's recommendations. As part of this plan, Department Policy ADM-019: Wireless Voice/Data Communication (WVDC) Equipment was revised to establish a structured workflow for managing wireless equipment. This policy ensures that proper documentation is maintained to support the timely cancellation of services and the return of telecommunication devices when they are no longer required.

The revised ADM-019 policy was formally approved and implemented on December 6, 2023. To ensure agency-wide awareness of the policy updates, Shift Briefing 2024-01 was distributed on OneNet as part of scheduled training on January 19, 2024. This was followed by in-person WVDC Equipment training on January 24, 2024, which was attended by property custodians, telecommunications liaisons, the End-User Computing Unit, and the Telecommunications Section. The training was intentionally scheduled after the holiday period to ensure maximum participation.

The Department will continue to operate under the revised ADM-019 directive and ensure that all processes related to the return and deactivation of telecommunication devices are followed upon employee separation. Additionally, periodic audits will be conducted on lines of service associated with recently separated employees to confirm that deactivation occurred in accordance with established policy.

These ongoing efforts reflect the Department's continued commitment to internal accountability and to ensuring compliance with its wireless communication equipment protocols.

2024-023. **FINDING** (Inadequate Controls over Employees Assigned a State Vehicle)

The Illinois State Police (Department) did not maintain adequate controls over employees assigned a State vehicle.

The Department assigned a State vehicle to 66 code employees during the examination period. During our testing of all code employees assigned a State vehicle, we noted the following:

- The Department was unable to provide documentation showing assignment of a State vehicle for two (3%) employees.
- Nine (14%) employees for Fiscal Year 2023 did not submit the required annual certification affirming the employees were duly licensed and properly insured.
- Fifteen (23%) employees for Fiscal Year 2023 did not submit the required annual certification by July 31, 2022 affirming the employees were duly licensed and properly. The certifications were submitted two to 73 days late.
- For 17 (26%) employees, the fringe benefits added to the payroll were inaccurate. The differences in the fringe benefits per payroll ranged from understatement of $48 to overstatement of $18.

In addition, during our testing of 40 State vehicles assigned to the Department's sworn officers, we noted the following:

- For four (10%) vehicles, the Department was unable to provide the required annual certification affirming the employees were duly licensed and properly insured for Fiscal Year 2023.
- For one (3%) vehicle, the Department was unable to provide the required annual certification affirming the employees were duly licensed and properly insured for Fiscal Year 2024.
- For two (5%) vehicles, the employees submitted the required annual certifications 135 and 346 days late.

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 expenditures are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the State's resources.

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

The Illinois Vehicle Code (625 ILCS 5/7-601(c)) requires every employee assigned a specific State-owned vehicle to provide an annual certification, on an ongoing basis, to the Director affirming the employee is duly licensed to drive the assigned vehicle and that the employee has liability insurance coverage extending to the employee when the assigned vehicle is used for other than official State business. The certification shall be provided during the period of July 1 through July 31 of each calendar year or within 30 days of any new assignment of a vehicle, whichever is later.

The Department's Directives (EQP-002 Department Vehicle Usage) require the Department to quarterly process the value of a personally assigned state vehicle on the payroll to withhold federal and state tax, retirement, and social security when applicable. In addition, Internal Revenue Service Publication (15-B) requires employers to determine the value of taxable noncash fringe benefits no later than January 31 of the next year.

Department management indicated the exceptions noted were due to management oversight, lack of resources, and competing priorities.

Failure to ensure employees assigned a State-owned vehicle timely submit annual certification, on an ongoing basis, affirming the employee is duly licensed and properly insured results in noncompliance with the Illinois Vehicle Code and could potentially expose the State to liability risks. Additionally, failing to ensure fringe benefits are added to payroll is a violation of the federal tax laws. (Finding Code No. 2024-023, 2022-031)

RECOMMENDATION

We recommend the Department strengthen its controls over vehicles assigned to employees to ensure proper documentation is maintained, related fringe benefits are included in employees' payroll, and required certifications are submitted timely by employees.

DEPARTMENT RESPONSE

The Department concurs with this finding and has generated an accurate and up to date database of individuals assigned a Department owned vehicle for use and will update the database on a monthly basis or when a vehicle is issued to an employee, utilizing information obtained from each Division's supervisor or designee to manage fleet assignment.

Updates to Department Directives EQP-001 (Department Vehicle Assignment and Maintenance) and EQP-002 (Department Vehicle Usage) have been made to include specific due dates for monthly usage reports and annual certifications. The Vehicle Usage Report is sent by Fleet Services staff to the Payroll Manager, within the Bureau of Human Resources by the 10th day of the following month of each quarter for inclusion on the next processed Department payroll. The vehicle usage report is being reviewed by the Division's supervisor or designee for accuracy.

Proper Vehicle Usage reporting forms (ISP2-006) have been disseminated to all division fleet officers and division supervisors along with the updated directives to provide to each driver. A monthly reminder email is sent out to all fleet officers that these reports are due into Fleet services no later than the 7th of every month for the month prior. If no response is received by the 8th of the month an email reminder is sent back to the employee and their respective fleet officer is included on the email.

Annual Driver Certification forms (ISP2-503) have also been provided to each fleet officer to disseminate to all drivers along with a reminder annually on June 15th that these forms are due by July 15th for every driver or within 2 weeks of initial vehicle assignment. If no response is received by the 16th of July an email reminder will go back to the employee and their respective fleet officer will be included on the email.

Division Fleet officers and chiefs of staff will notify Payroll and Fleet Services Staff of any drivers that have left the Department or retired within 10 working days that will have a taxable fringe benefit in order to initiate that prior to the employee departing. The Department will improve communication pathways so that the Fleet Services Bureau is notified when another Division adds an Individually Assigned Vehicles (IAV) or switches out an IAV for a staff member.

Fleet services staff along with division fleet officers will ensure that all taxable fringe benefit reports are turned in on time every quarter (due to payroll by the 10th of the month for the prior quarter) by setting up email reminders and collecting monthly reports timely to ensure that all proper documents are submitted to payroll before the deadline.

Lastly, sworn officers given the authority to use their assigned vehicles for off duty use are required per 625 ILCS 5/7-601 to submit annually, a signed copy of the Driver Certification Form for Sworn officer's ISP 2-585. This form is due between 1 July and 31 July or within 30 days of eligibility yearly and retained with the work location fleet office. Fleet Services will send a yearly reminder to all Division Chiefs of Staff in June that these are due within the required time frame and should be retained in office. Each work unit should ensure the list of officers this pertains to is maintained, complete and accurate.

2024-024. **FINDING** (Inadequate Controls over State Employees' Retirement System Census Data)

The Illinois State Police (Department) did not maintain adequate controls to ensure 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 period, 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 period is split between 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 is responsible for recording and retaining these records for active employees and transmitting this census data to the plan's actuary.

Certain demographic data, referred to as ***significant elements of census data***, represent data elements that, either individually or in combination, could result in a material misstatement to one or more of the employer's financial statement elements attributable to the amounts reported in the allocation report from each individual pension and OPEB plan. For State Employees' Retirement System of Illinois (SERS) pensions, the allocated balances for the employer's financial statements are based off the allocation report from the prior year using census data from one year ago.

We noted the Department's employees are members of both the 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 pensions 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 of Department's reconciliation of SERS census data for Fiscal Years 2022 and 2023, we noted these were not properly completed. Specifically, we noted the Department was unable to determine and failed to report the following differences to SERS:

- During testing of personal details of 60 employees, we noted two (3%) employees were already separated but were still included in SERS census data as of June 30, 2023.

- During comparison of Department's active employees listing and SERS census data as of June 30, 2022, we noted one separated employee was still included in the SERS census data.

- During comparison of Department's active employees listing and SERS census data as of June 30, 2023, we noted 11 separated employees were still included in the SERS census data.

For employers where their employees participate in plans with multiple-employer and cost-sharing features, 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 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.

The SERS Guidance requires the Department to review the census data reports and certify the completeness of their active member population as at year end, and accuracy of significant changes that have been identified by SERS between the census data from prior to current fiscal year. The SERS Guidance also requires the Department to submit the Census Data Reconciliation Certification to SERS which attests to the completion of the reconciliation and provides any identified errors found that may require correction by the Department or SERS.

Finally, 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 applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

Department management indicated the exceptions noted were due to oversight.

Failure to reconcile the active members' census data reported to and maintained by SERS to the Department's records could lead to each plan's actuary relying on incomplete and inaccurate census data. This could result in errors in calculating the State's pension and OPEB balances, potentially leading to misstatements of these amounts. (Finding Code No. 2024-024, 2022-032)

RECOMMENDATION

We recommend the Department ensure SERS data reconciliations are properly performed and reviewed. We also recommend the Department work with SERS to resolve all discrepancies in the census data.

DEPARTMENT RESPONSE

The Department concurs with this finding and agrees with the auditor's recommendation to ensure that SERS data reconciliations are properly performed and reviewed. The Department also agrees that it must work directly with SERS to resolve all discrepancies identified in the census data.

Processing changes to employee payroll data involves multiple individuals across several stages. Each Personnel Action Request (PAR) and Officer Action Request (OAR) must be accurately created, approved, and submitted to Human Resources for processing. Delays or errors at any stage in this workflow can affect the timely and accurate communication of payroll data, which directly impacts the integrity of SERS reporting. The Department relies on individual divisions to submit complete and accurate information for each PAR and OAR to ensure proper processing and reduce downstream discrepancies.

To improve timeliness and accuracy, a tracking system was implemented in May 2025 to monitor the submission and processing of all PARs and OARs within the payroll system. This system enhances visibility into processing timelines and supports prompt resolution of potential delays. Additionally, the Department has strengthened its reconciliation procedures to ensure that SERS census data is regularly reviewed and that any discrepancies are promptly identified and addressed.

To further support this effort, a new Payroll Manager was hired on April 1, 2025, and as of May 1, 2025, the Payroll Unit transitioned to the oversight of Human Resources. These structural changes provide more direct oversight of payroll processing and reinforce accountability for data accuracy and timeliness. The Payroll Manager and designated staff are now working directly with SERS to resolve any outstanding discrepancies in the census data.

These improvements are part of an ongoing effort to ensure the Department provides clean, accurate data to SERS. Because the Department's payroll data flows directly into SERS systems, improving our internal accuracy will significantly reduce the frequency and severity of discrepancies identified in SERS records.

2024-025. **FINDING** (Inadequate Controls over Locally-Held Funds)

The Illinois State Police (Department) did not maintain adequate controls over locally-held funds.

The Department maintained eight locally-held fund (LHF) accounts during the examination period. We requested the Department provide the transaction ledgers of all the LHF accounts for the two years ended June 30, 2024. During testing, we noted for one (13%) LHF account the total fund transfers from the account per ledger is lower than the bank reconciliation for Fiscal Year 2023 by $165,146.

During testing of the Report of Receipts and Disbursements for LHF (C-17) reconciliations for all the LHF accounts, we noted the following:

- For one (13%) LHF account, the Department was unable to perform the required reconciliation for one month in Fiscal Year 2023.

- For two (25%) LFH accounts, the Department performed the required reconciliation for 7 months in Fiscal Year 2023, 423 to 614 days late.

Statewide Accounting Management System (SAMS) Manual (Procedure 07.30.20) requires the Department to perform a reconciliation of its internal records to the SAMS system on a monthly basis within 60 days of month end to ensure the early detection and correction of errors.

The State Records Act (5 ILCS 160/8) requires the head of each agency to preserve records containing proper documentation of the essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State.

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 obligations and costs are in compliance with applicable law; funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation; revenues are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the State's resources; and funds held outside the State Treasury are managed, used, and obtained in strict accordance with the terms of their enabling authorities and that no unauthorized funds exist.

Department management indicated the exceptions noted were due to oversight and clerical error.

Failure to perform reconciliation of LHF accounts timely and maintain adequate supporting documentation could lead to unresolved differences between the Department and Comptroller's records, inaccurate financial reporting, and increase the opportunity for misappropriation of State assets. (Finding Code No. 2024-025, 2022-035)

RECOMMENDATION

We recommend the Department ensure reconciliations between its LHF records, bank statements and LHF reports submitted to the Comptroller's Office are performed timely and properly supported.

DEPARTMENT RESPONSE

The Department concurs with this finding and acknowledges the need to strengthen internal controls over LHFs particularly with respect to timely and accurate reconciliations and maintaining adequate supporting documentation. To address these issues, the Office of Finance (OOF) launched a process improvement initiative focused on two primary areas: enhancing policies and procedures and evaluating staff capacity and training needs. OOF partnered with external consultants to develop detailed written procedures for LHF reconciliations, covering expenditures, revenues, cash, and obligations. These procedures aim to establish clear roles, responsibilities, timelines, and documentation standards to ensure compliance with SAMS and other applicable requirements. While progress has been made, including the creation and use of a reconciliation tracking log and the timely filing of all C-17 reports throughout Fiscal Year 2024 and Fiscal Year 2025, the overall timeline has been extended.

Training efforts for staff began in late 2023, but vacancies have limited full implementation. OOF plans to resume and expand training as staffing levels improve. In parallel, a restructuring within OOF was initiated to better align resources with financial reporting priorities. However, persistent vacancies, including the departure of the Financial Reporting Manager in June 2024, have strained operations. Supervisory and management staff have had to assume additional responsibilities, including coverage for three vacant grant positions, limiting their ability to delegate and execute all tasks effectively. Despite these challenges, the Department remains committed to completing the policy and procedure overhaul, filling critical vacancies, and fully implementing staff training. These actions are intended to enhance the timeliness, accuracy, and reliability of LHF reconciliations and to ensure compliance with internal control standards and statutory requirements.

2024-026. **FINDING** (Inadequate Controls over Reporting Requirements)

The Illinois State Police (Department) did not file statutorily required reports and submissions or did not file them accurately.

During testing, we noted the following:

- The Department submitted reports to the General Assembly during the examination period. However, the Department did not provide copies of the five (100%) reports tested to the State Government Report Distribution Center at the State Library. In addition, for 12 of 13 (92%) publications tested, the Department did not provide copies to the Illinois State Library.

  The State Library Act (Act) (15 ILCS 320/7(t)) creates and maintains a State Government Report Distribution Center for the General Assembly to receive all reports in all formats available required by law or resolution to be filed with the General Assembly. Further, the Act (15 ILCS 320/21(a)) requires the Department to provide and deposit with the Illinois State Library sufficient copies of all publications issued for its collection and for exchange purposes.

- The Fiscal Year 2023 Public Accountability Report (PAR) submitted by the Department to the Office of Comptroller covering Fiscal Years 2022 and 2023 information included inaccurate data and data not supported by Department records. Eleven output indicators reported in the PAR for three programs did not agree with Department records. In addition, the Department was unable to provide support for one output indicator reported for one program.

  Statewide Accounting Management System (SAMS) Manual (Procedure 33.20.20) requires the Department to substantiate its Public Accountability Reports by maintaining adequate and appropriate documentation to support their mission statements, goals, objectives, and performance measures. Further, the State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of essential transactions of the Department designed to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Department management indicated copies of the General Assembly reports and publications were not submitted to the State Library due to employee turnover. In addition, the Department indicated support to the PAR were real-time reports generated during the preparation which the Department may not have retained.

Failure to provide statutorily required reports and submissions prevents the appropriate oversight authorities from receiving relevant feedback and monitoring on programs which can have an effect on future decisions. In addition, lack of controls over the preparation and review of PAR may lead to inaccurate records and submission of inaccurate information to the Office of Comptroller. (Finding Code No. 2024-026)

RECOMMENDATION

We recommend the Department ensure statutorily required reports are supported, properly completed, reviewed, and submitted as required by State laws and regulations.

DEPARTMENT RESPONSE

The Department concurs with this finding and agrees with the auditor's recommendation to ensure statutorily required reports are supported, properly completed, and submitted as required by State laws and regulations.

A formal root cause analysis will be conducted during the corrective action planning phase. To address this issue, the Office of Metrics, Accreditation, and Policy (MAP) has developed a centralized platform for tracking and uploading statutorily required reports. This platform includes a comprehensive list of required reports along with their corresponding due dates.

MAP will continue to strengthen compliance by enforcing the completion, review, and submissions of statutorily required reports by increasing communications with Department divisions and making report tracking a primary responsibility assigned to a member of MAP.

In addition, the Department acknowledges that copies of reports and publications to the General Assembly were not submitted to the Illinois State Library due to employee turnover. To remedy this, the Logistics Bureau will now utilize the centralized reporting platform as a collection and submission point for all required documents to be sent to the State Library. To support this process, Logistics Bureau personnel completed training on Electronic Documents of Illinois (EDI) system in January 2025.

An annual review of the centralized platform will be conducted to ensure required reports and publications were uploaded into EDI. These corrective actions will enhance oversight, ensure continued compliance with statutory reporting obligations, and prevent future omissions due to staffing changes.

2024-027. **FINDING** (Inadequate Controls over Non-Sufficient Fund Transactions)

The Illinois State Police (Department) did not maintain adequate controls over non-sufficient fund (NSF) transactions.

The Department processed 883 NSF transactions totaling $2,796,950 during the examination period. We selected 60 NSF transactions for testing; however, the Department was unable to provide supporting documentation for 33 (55%) samples selected. As such, we were unable to determine whether the Department had taken appropriate action until alternative payments were received and if the alternative payments were timely deposited by the Department.

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 revenues are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the State's resources. In addition, 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 protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Department management indicated the exception noted was due to staffing shortages and competing priorities.

Failure to establish and maintain internal controls over NSF transactions, including the retention of supporting documentation, increases the risk of revenue loss, theft, or other irregularities that would not be found within the normal course of operations. (Finding Code No. 2024-027)

RECOMMENDATION

We recommend the Department properly maintain documentation related to NSF transactions, including their alternative payments and follow-up actions performed.

DEPARTMENT RESPONSE

The Department concurs with this finding and recognizes the need to strengthen controls over NSF transactions, particularly with respect to documentation and internal communication. During the audit period, NSF notifications were typically received via debit memos from the third-party processor for the Department's ePay website. These memos included the individual's name and triggered internal actions, such as the cancellation of licenses due to non-payment. While the appropriate enforcement actions were taken by the responsible Division, the related documentation was maintained within that operational unit and not centralized or included in the original audit request. This gap in coordination and documentation sharing contributed to the exceptions noted in the finding.

To address the issue, the Department will enhance internal communication protocols to ensure all relevant documentation related to NSF transactions, including evidence of follow-up actions and receipt of alternative payments, is properly maintained, readily accessible, and available upon request. The Department will also evaluate current procedures to improve documentation retention practices across units, ensuring compliance with the Fiscal Control and Internal Auditing Act and the State Records Act. These efforts will reduce the risk of untraceable transactions and reinforce accountability over State revenues.

2024-028. **FINDING** (Noncompliance with the Reporting Requirements of the State Police Act)

The Illinois State Police (Department) did not comply with the reporting requirements of the State Police Act (Act) pertaining to annual disciplinary data report (Report).

During testing, we noted the Department prepared the 2022 and 2023 Reports pursuant to the Act. However, the Department was unable to provide support of submission of both Reports to the Governor's Office and the General Assembly. Hence, we were unable to determine if these reports were submitted as required by the Act.

In addition, in our review of the Reports, we noted the following:

- The 2022 and 2023 Reports lacked statistical information on the number of complaints received in the preceding calendar year against an Illinois State Police officer, including but not limited to the race, gender, and type of complaints received.

- The 2022 Report lacked statistical information on the number of Merit Board referrals and the number of decertified officers.

The State Police Act (20 ILCS 2610/11.6) requires the Department to report annually to the Governor and General Assembly statistical information, which may be part of its annual report, including the number of complaints received in the preceding calendar year against a Department officer, including but not limited to the race, gender, and type of complaints received, the number of internal investigations initiated in the preceding calendar year since the date of the last report, the number of internal investigations concluded in the preceding calendar year, the number of investigations pending as of the reporting date, the number of Merit Board referrals, the number of officers decertified in the preceding calendar year, and the number of investigations that led to a determination of: administratively closed, exonerated, not sustained, sustained, and unfounded.

The State Records Act (5 ILCS 160/8) requires the Director to make and preserve records containing adequate and proper documentation of 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 Department's activities.

Department management indicated the exceptions noted were due to oversight.

Failure to submit complete statutorily required reports prevent the appropriate oversight authorities from receiving relevant feedback and monitoring on programs which can have an effect on future decisions of rulemaking bodies and represents noncompliance with the State regulations. (Finding Code No. 2024-028)

RECOMMENDATION

We recommend the Department strengthen its internal controls over reporting to ensure statutorily required reports are supported and completed accurately.

DEPARTMENT RESPONSE

The Department concurs with this finding and agrees with the auditor's recommendation to strengthen internal controls to ensure that statutorily required reports are properly supported and completed accurately.

This issue has already been addressed. The Department has taken corrective action to ensure compliance, and the 2024 Discipline Report includes all required statistical data as outlined in the applicable statute.

2024-029. **FINDING** (Inadequate Controls over Contracts)

The Illinois State Police (Department) did not establish adequate controls over contracts.

During testing of 25 contracts, we noted the following:

- Two (8%) contracts with a total annual contract amount of $2,062,544 were missing signatures from required signatories. One of the contracts was missing the signature of the chief legal counsel and the other contract was missing the signature of the chief financial officer.

- For one (4%) contract with an annual contract amount of $183,333, the related Contract Obligation Document (COD) indicated the contract was exempt from the requirements of the Illinois Procurement Code. However, the COD lacked a brief description of the exemption and the statutory reference supporting such exemption.

The State Finance Act (30 ILCS 105/9.02(a)(1)) requires any new contract or contract renewal in the amount of $250,000 or more in a fiscal year, or any order against a master contract in the amount of $250,000 or more in a fiscal year, or any contract amendment or change to an existing contract that increases the value of the contract to or by $250,000 or more in a fiscal year, to be signed or approved in writing by the Director or his designee, by the Department's chief legal counsel or his or her designee, and Department's chief fiscal officer or his or her designee. If the Department does not have a chief legal counsel or a chief fiscal officer, the Director shall designate in writing a senior executive as the individual responsible for signature or approval.

Statewide Accounting Management System (SAMS) Manual (Procedure 15.20.10) requires the Department to cite the applicable statutory reference that allows the exemption to the Illinois Procurement Code with a brief explanation in the description area of the COD.

During testing of other contracts, we noted one contract amounting to $105,000 qualifying as a Subscription-Based Information Technology Arrangement (SBITA) as defined by Statement No. 96 of the Governmental Accounting Standards Board (GASB 96). However, the Department failed to identify this contract as a SBITA and as a result, this was not reported to the Comptroller's Office. Subsequently, the Department completed the related Form SCO-560S and notified the Comptroller's Office of the additional SBITA on December 2, 2024, 771 days after the execution of the contract.

SAMS Manual (Procedure 27.20.60S) requires the Department to complete Form SCO-560S on a contract by contract basis as new SBITAs are initiated and sent to the Comptroller's Office. SAMS Manual requires the Department to complete the Form if the total subscription payments for the software and related IT assets are greater than $25,000.

Department management indicated the exceptions noted were due to two key factors: the lack of proper training for new staff members, which has contributed to misunderstandings and errors, and the introduction of a new requirement that has not been clearly communicated or documented. Department management added internal processes allow staff to sign on behalf of others, but there is no formal written documentation of this practice.

Failure to ensure contracts were reviewed and signed by authorized parties, and CODs are properly completed, increases the risk services could be provided and costs incurred under the agreements that would not be reimbursable to the Department if the agreement would fail to be executed. The inadequate controls over contracts represent noncompliance with the State laws and SAMS Manual. Furthermore, failure to identify SBITA and untimely submission of Form SCO-560S to the Comptroller's Office could lead to inaccurate reporting of subscription asset and subscription liability both on the Department and Statewide financial reports. (Finding Code No. 2024-029)

RECOMMENDATION

We recommend the Department ensure contracts are signed by the required signatories and related CODs are properly completed. We also recommend the Department review contracts to determine potential SBITAs to ensure timely reporting to the Comptroller's Office.

DEPARTMENT RESPONSE

The Department concurs with this finding. We agree with the auditor's recommendation to ensure that contracts are signed by the appropriate signatories, related CODs are properly completed, and potential SBITAs are identified and reported to the Comptroller's Office in a timely manner. The issues identified are primarily due to two factors: insufficient training for new staff, which has led to misunderstandings and processing errors, and the implementation of a new requirement that was not clearly communicated or documented.

Additionally, while internal practices allow staff to sign on behalf of leadership, formal documentation of this delegation is inconsistent. Specifically, while we maintain a tracking system for individuals authorized to sign on behalf of the Director, similar documentation does not currently exist for those signing on behalf of the Chief Financial Officer or Chief Legal Counsel. As part of our corrective actions, we are reviewing all processes related to signature authority to ensure that appropriate authorization is granted, documented, and consistently applied across all leadership roles. We will also fully investigate the newly introduced requirement and establish a formal process to ensure compliance. In addition, we will develop and disseminate targeted training on the requirement to ensure staff are informed and aligned with expectations going forward.

2024-030. **FINDING** (Noncompliance with the Requirements of the Illinois Vehicle Code on ALPR System)

The Illinois State Police (Department) did not comply with the requirements of the Illinois Vehicle Code (Code) regarding Automatic License Plate Reader (ALPR) System information sharing.

During testing of 40 out-of-state law enforcement agencies (LEAs) wherein the Department shared ALPR system information, we noted the Department was unable to provide copies of the executed memorandum of understanding (MOU) for 21 (53%) LEAs.

The Code (625 ILCS 5/2-130(c)) prohibits the Department from sharing ALPR system information with an out-of-state LEA without first obtaining a written declaration from the LEA that it expressly affirms that ALPR information obtained shall not be used in a manner that violates subsection (b) of the Code. The Code also specifies the Department is not to share the ALPR information with the out-of-state LEA if a written declaration of affirmation is not executed.

Department management indicated the exception noted was due to oversight.

Failure to properly execute MOUs with out-of-state LEAs may result in unauthorized access of ALPR system information which would pose legal and financial risks to the Department and represents noncompliance with the Code. (Finding Code No. 2024-030)

RECOMMENDATION

We recommend the Department ensure MOUs in relation to data-sharing of ALPR system information are properly executed and maintained.

DEPARTMENT RESPONSE

The Department concurs with this finding, which was the result of managerial oversight. The records in question were purged from the system where they were stored due to circumstances beyond our control.

We agree with the auditor's recommendation and will ensure that all data sharing MOUs are properly executed and maintained. While all user agencies originally signed MOUs for data sharing, these agreements became null and void once the agencies ceased being customers or users of the Motorola Vigilant LEARN platform. At that point, the agreements were automatically deleted, as no further data sharing was possible.

Within the Motorola LEARN platform, any agency requesting to share ALPR system data with another agency must execute a digital sharing agreement. Both parties must digitally sign the agreement before data sharing can occur. When an agency is no longer a customer of Motorola, the system automatically terminates the agreement and purges the associated record.

On March 19, 2025, the Department proactively canceled all existing sharing agreements within the Motorola LEARN platform to ensure that any future requests to share data with the Department require a newly executed and up-to-date sharing agreement that includes all necessary statutory language.

To strengthen internal controls, Department staff will now generate and retain a monthly report from the Motorola LEARN platform, identifying all agencies with which the Department shares data. Each report will include a copy of the current MOU and a cover memo for documentation purposes.

Additionally, any time statutory, regulatory, or policy changes require updates to the MOU, the Department will immediately cancel all existing sharing agreements in the system, upload the revised MOU, and require all participating agencies to reinitiate the sharing process under the new terms.

This process will ensure all data sharing occurs under the most current, compliant agreement.

2024-031. **FINDING** (Noncompliance with the Criminal Identification Act)

The Illinois State Police (Department) did not comply with the requirements of the Criminal Identification Act (Act) regarding written notices to petitioners about its compliance with court orders to expunge or seal records.

During testing of 40 court orders to expunge or seal records, we noted for 15 (38%) court orders, the Department was unable to provide documents supporting written notices were sent to the petitioners. For 14 of these court orders, the Department provided a copy of the letter but unable to provide support when these letters were sent to petitioners. As such, we were unable to determine if the written notices were sent. For 1 of these court orders, the Department was unable to provide a copy of the written notice.

The Act (20 ILCS 2630/5.2(d)(9)(D)) requires the Department to send written notice to the petitioner of its compliance with each order to expunge or seal records within 60 days of the date of service of that order, or, if a motion to vacate, modify, or reconsider is filed, within 60 days of service of the order resolving the motion, if that order requires the Department to expunge or seal records.

The State Records Act (5 ILCS 160/8) requires the Director to make and preserve records containing adequate and proper documentation of 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 Department's activities.

Department management indicated the exceptions noted were due to lack of training and oversight.

Failure to send written notices to petitioners related to court orders to expunge or seal records constitutes noncompliance with the Act. In addition, failure to maintain a copy of the written notices and their related support of sending to petitioners constitute noncompliance with the State Records Act. (Finding Code No. 2024-031)

RECOMMENDATION

We recommend the Department ensure notifications are sent to required recipients and supporting documents are properly maintained as required by the Act.

DEPARTMENT RESPONSE

The Department concurs with this finding and agrees with the auditor's recommendation to ensure written compliance notifications are sent timely to petitioners and supporting documentation is properly maintained in accordance with the Criminal Identification Act and the State Records Act.

During the examination period, the Computerized Criminal History (CCH) system logged the date response letters were generated only when the HTML print option was utilized. However, Expungement Unit personnel were using both the HTML and PDF print options, and the system was not configured to log response dates when letters were printed via PDF. This lack of system functionality, combined with inconsistent processes, contributed to the documentation gaps identified during the audit.

In response, the Department has implemented a policy change requiring Expungement Unit personnel to use the HTML print option exclusively, ensuring the response date is properly logged in the CHRI tables. This directive has been incorporated into all unit training materials. In addition, staff are now required to save a copy of each response letter in the Department's document management system to ensure adequate record retention.

Further corrective actions are underway. The Department is revising its policy to mandate that written compliance notices be sent no later than 15 days following the processing of an order to expunge or seal. Periodic audits will be conducted to verify adherence to the updated procedures, including proper use of the HTML print function and storage of response letters.

Finally, a long-term resolution will be addressed through the CHRI system replacement project currently in progress. Enhancements under this initiative will include improved tracking and audit functionality to ensure full compliance with statutory requirements moving forward.

2024-032. **FINDING** (Inadequate Controls over Employee Leave Balances)

The Illinois State Police (Department) did not maintain adequate controls over employee leave balances.

During our recalculation of leave balances for 60 employees, we noted the following:

- For 23 (38%) employees, the year-end balance of their vacation leave credits is inaccurate. Differences noted between Department records and auditor recalculation ranges between an understatement of 165 hours to overstatement of 105 hours.

- For 23 (38%) employees, the year-end balance of their sick leave credits is inaccurate. Differences noted between Department records and auditor recalculation ranges between an understatement of 576 hours to overstatement of 160 hours.

- For 19 (32%) employees, the year-end balance for their personal leave credits is inaccurate. Differences noted between Department records and auditor recalculation ranges between an understatement of 30 hours to overstatement of 30 hours.

- For 11 (18%) employees, the year-end balance of their compensated leave credits is inaccurate. Differences noted between Department records and auditor recalculation ranges between an understatement of 9 hours to overstatement of 89 hours.

- For 21 (35%) employees, the year-end balance of their holiday leave credits is inaccurate. Differences noted between Department records and auditor recalculation ranges between an understatement of 96 hours to overstatement of 78 hours.

- Four (7%) employees were separated from the Department during the examination period but still showed leave credit balances per June 30 leave balance reports.

- For 27 (45%) employees, the Department was unable to provide their complete records of leave credits. Hence, we were unable to determine the accuracy of the employees' leave balances.

Beginning January 1, 2024, the Paid Leave for All Workers Act (820 ILCS 192/20) requires the Department to make and preserve records documenting hours worked, paid leave accrued and taken, and remaining paid leave balance for each employee for a period of not less than 3 years and shall allow the Department of Labor access to such records, at reasonable times during business hours, to monitor compliance with the requirements of this Act.

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 protect the legal and financial rights of the State.

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 safeguarded against waste, loss, unauthorized use, and misappropriation and to maintain accountability over the State's resources.

Department management indicated the exceptions noted were due to system limitations and operational challenges which impacted the ability of supervisors and employees to effectively track and manage employee leave balances and approvals. These limitations hindered real-time monitoring and reliance on manual tracking or alternative methods.

Failure to properly monitor and review employee leave earnings, usage and balances resulted in inaccurate leave balances reporting at year-end, misuse of State funds, and represents noncompliance with State regulations. (Finding Code No. 2024-032)

RECOMMENDATION

We recommend the Department implement controls to ensure employee leave balances are properly supported, accounted, and regularly reviewed.

DEPARTMENT RESPONSE

The Department concurs with this finding and agrees with the auditor's recommendation to implement controls that ensure employee leave balances are properly supported, accurately accounted for, and regularly reviewed.

Historically, there was a lack of consistent oversight and standardized procedures to ensure that leave balances were managed effectively. The leave tracking process involves multiple individuals, including supervisors, division timekeepers, and payroll staff. Without clearly defined accountability and routine reconciliation practices, discrepancies in leave balances may go undetected or unresolved.

To address this, the Department has implemented a review protocol that requires division timekeepers to conduct monthly reconciliations of leave balances. All leave usage must now be supported by appropriate documentation, which must be submitted and retained in accordance with Department policy. Supervisors have been reminded of their responsibility to approve leave entries in a timely manner, while timekeepers are responsible for maintaining accurate records and ensuring that all data is current and complete.

Additionally, Human Resources will implement a quarterly audit process to verify the accuracy of leave balances across all divisions. Division timekeepers will continue to play a critical role in upholding reconciliation procedures and documentation standards. To support consistent application of these procedures, additional training will be provided to both timekeepers and supervisors, promoting uniformity and accountability in leave tracking practices.

STATE OF ILLINOIS
ILLINOIS STATE POLICE
SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2024

A. **FINDING** (Failure to Remove Employees from Payroll)

During the prior examination, the Illinois State Police (Department) failed to ensure separated employees were properly removed from payroll.

During the current examination, our sample testing showed the Department properly removed separated employees from the payroll after termination. (Finding Code No. 2022-005)

B. **FINDING** (Need to Enhance Relationship with the Illinois State Toll Highway Authority)

During the prior examination, the Illinois State Police (Department) needed to update the duties, roles, functions, and responsibilities within its Intergovernmental Agreement (IGA) with the Illinois State Toll Highway Authority (Tollway).

During the current examination, we noted the Department and Tollway entered into a new IGA effective January 1, 2024 which addressed the exceptions noted in the prior year finding. (Finding Code No. 2022-007)

C. **FINDING** (Failure to Comply with Firearms Dealer License Certification Act)

During the prior examination, the Illinois State Police (Department) did not timely issue certificates of license as required by the Firearm Dealer License Certification Act (Act).

During the current examination, our sample testing showed the Department issued the Firearm Dealer License certificates timely as required by the Act. (Finding Code No. 2022-010, 2020-008)

D. **FINDING** (Noncompliance with the Gun Trafficking Information Act)

During the prior examination, the Illinois State Police (Department) did not comply with the Gun Trafficking Information Act (Act). Specifically, the Department did not make publicly available, on a regular and ongoing basis, key information related to firearms used in the commission of crimes in the State, as required by the Act.

During the current examination, we noted the Department published the Fiscal Years 2023 and 2024 information related to firearms used in the commission of crimes in the State on its website. (Finding Code No. 2022-011, 2020-009)

E. **FINDING** (Inadequate Controls over Electronic Storage Media)

During the prior examination, the Illinois State Police (Department) did not maintain adequate controls over electronic storage media.

During the current examination, our sample testing indicated the Department maintained adequate controls over disposed electronic storage media. (Finding Code No. 2022-015)

F. **FINDING** (Noncompliance with Specific Statutory Mandates)

During the prior examination, the Illinois State Police (Department) was not in compliance with specific statutory mandates. Specifically, the Department did not submit the annual statistical compilations regarding firearm or drug related incidents required by the School Code, failed to notify the Illinois State Library of whom was responsible for the distribution of publications during Fiscal Year 2021, failed to furnish registration information concerning persons who were required to register under the Arsonist Registration Act, and did not file the Fiscal Year 2021 annual report of its acts and doings to the Governor.

During the current examination, the Department submitted the required reports and notifications and maintained the related supporting documentation. (Finding Code No. 2022-017, 2020-015, 2018-008, 2016-007)

G. **FINDING** (Lack of Project Management)

During the prior examination, the Illinois State Police (Department) lacked a project management framework to ensure controls over Information Technology (IT) projects.

During the current examination, the Department had fully transitioned its IT management processes and IT personnel to the Illinois Department of Innovation and Technology (DoIT). As a result, under the intergovernmental agreement with DoIT, the Department adopted DoIT policies, procedures, and processes established for project management. (Finding Code No. 2022-021, 2020-021, 2018-005, 2016-004, 2014-004, 12-7, 10-2)

H. **FINDING** (Weaknesses in Change Management of Computer Systems)

During the prior examination, the Illinois State Police (Department) failed to implement an effective change management process to control changes to their applications and data.

During the current examination, the Department adopted policies and procedures on change management and published the related directives on its website. (Finding Code No. 2022-022, 2020-022, 2018-007, 2016-006, 2014-006, 12-9)

I. **FINDING** (Weakness with PCI Data Security Standards)

During the prior examination, the Illinois State Police (Department) had not completed all requirements to demonstrate full compliance with the Payment Card Industry Data Security Standards (PCI DSS).

During the current examination, we noted the Department complied with the PCI DSS. (Finding Code No. 2022-030)

J. **FINDING** (Lack of Internal Controls over Monitoring of Liability Insurance Certifications)

During the prior examination, the Illinois State Police (Department) lacked internal control over monitoring of liability insurance certifications of privately-owned vehicles used for State business.

During the current examination, we noted the Department adopted a policy requiring employees using privately-owned vehicles for State business to submit certification of being duly licensed and properly insured. (Finding Code No. 2022-033)

K. **FINDING** (Noncompliance with Specialized Mental Health Rehabilitation Act)

During the prior examination, the Illinois State Police (Department) did not comply with the Specialized Mental Health Rehabilitation Act of 2013 (Act).

During the current examination, our sample testing showed the Department prepared Criminal History Report, provided the report to a licensed forensic psychologist, and provided the Identified Offender Report and Recommendation to the required parties. (Finding Code No. 2022-034)

L. **FINDING** (Inadequate Controls over Contracts)

During the prior examination, the Illinois State Police (Department) did not exercise adequate controls over contractual agreements. Specifically, contractual agreements were not filed timely with the Comptroller's Office.

During the current examination, our sample testing indicated contractual agreements were filed timely with the Comptroller's Office. (Finding Code No. 2022-036)

M. **FINDING** (Inadequate Control over Interagency Agreements)

During the prior examination, the Illinois State Police (Department) did not establish adequate internal controls over interagency agreements (IGA). Specifically, interagency agreements were not signed prior to the effective date and were not signed by all required parties.

During the current examination, our sample testing showed interagency agreements were signed by both the Department and other parties prior to the effective date. (Finding Code No. 2022-038)

N. **FINDING** (Noncompliance with the Illinois Gaming Act)

During the prior examination, the Illinois State Police (Department) could not provide documentation of completed background checks as required under the Illinois Gambling Act (Act).

During the current examination, we determined the Department did not receive any fingerprint submissions for background checks related to gaming license applicants under the Act. (Finding Code No. 2022-039)