

**STATE OF ILLINOIS
LEGISLATIVE AUDIT COMMISSION**

STATE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2023

**STATE OF ILLINOIS
LEGISLATIVE AUDIT COMMISSION
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023**

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STATE OF ILLINOIS
LEGISLATIVE AUDIT COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023

COMMISSION OFFICIALS

Executive Director (02/24/25 – Current)
Executive Director (08/14/24 – 02/23/25)
Executive Director (02/01/21 – 08/13/24)

Ms. Jaimee Ray
Vacant
Mr. Tyler Hunt

Executive Assistant (10/01/24 – Current)
Note: Assumed fiscal responsibilities 05/01/25
Fiscal Officer (01/01/24 – 4/30/25)
Fiscal Officer (07/01/22 – 12/31/23)
Fiscal Officer (01/16/18 – 6/30/22)

Ms. Joyce Smith
Ms. Dawn Holloway
Ms. Angela Ford
Mr. Andrew Morrison

COMMISSION OFFICE

The Commission's office is located at:

William G. Stratton Building
401 S. Spring Street, Room 620
Springfield, Illinois 62706



Legislative Audit Commission

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MANAGEMENT ASSERTION LETTER

May 12, 2025

Honorable Frank J. Mautino
Auditor General
State of Illinois
400 West Monroe, Suite 306
Springfield, Illinois 62704

Auditor General Mautino:

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, Legislative Audit Commission (Commission). 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 Commission's compliance with the following specified requirements during the two-year period ended June 30, 2023. Based on this evaluation, we assert that during the years ended June 30, 2022, and June 30, 2023, the Commission has materially complied with the specified requirements listed below.

- A. The Commission 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 Commission 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 Commission 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 Commission 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.

Yours truly,

State of Illinois, Legislative Audit Commission

SIGNED ORIGINAL ON FILE

Jaimee Ray, Executive Director

**STATE OF ILLINOIS
LEGISLATIVE AUDIT COMMISSION
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023**

STATE COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT’S REPORT

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

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	2	0
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	0	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2023-001	7	New	Inadequate Controls over Receipts and Reconciliations	Significant Deficiency and Noncompliance
2023-002	9	New	Inadequate Controls over Travel	Significant Deficiency and Noncompliance

EXIT CONFERENCE

The Commission waived an exit conference in a correspondence from Ms. Jaimee Ray, Executive Director, on May 9, 2025. The responses to the recommendations were provided by Ms. Jaimee Ray, Executive Director, in a correspondence dated May 12, 2025.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

INDEPENDENT ACCOUNTANT'S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
State of Illinois, *Legislative Audit Commission*

Report on State Compliance

We have examined compliance by the State of Illinois, Legislative Audit Commission (Commission) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2023. Management of the Commission is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Commission's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Commission 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 Commission 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 Commission 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 Commission 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.

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

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

Our examination does not provide a legal determination on the Commission's compliance with the specified requirements.

In our opinion, the Commission complied with the specified requirements during the two years ended June 30, 2023, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2023-001 and 2023-002.

The Commission's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Commission'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 Commission 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 Commission's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Commission's compliance with the specified requirements and to test and report on the Commission's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness

in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

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

The Commission's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Commission'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

COURTNEY DZIERWA, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
May 12, 2025

STATE OF ILLINOIS
LEGISLATIVE AUDIT COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2023

2023-001. **FINDING** (Inadequate Controls over Receipts and Reconciliations)

The Legislative Audit Commission (Commission) did not exercise adequate controls over refund receipts and reconciliations.

The Commission received one refund, totaling \$10, during the examination period. We tested this transaction and noted the following:

- The Commission did not maintain supporting documentation for the deposit date. As a result, we were unable to determine if the refund was deposited in a timely manner.

Good internal controls require the Commission maintain and preserve records supporting the date refund receipts were received by the Commission.

- The Commission did not record the refund in its Receipt Journal.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2(a)) requires that all moneys ordered into the State treasury to be deposited within 30 days of receipt into the fund from which the expenditure giving rise to the reimbursement was made, unless deposit into another fund is required by law.

During the testing of receipt reconciliations, we noted the following:

- Six of six (100%) monthly reconciliations were not completed of the Commission's internal receipt records to the Office of Comptroller's (Comptroller) *Monthly Revenue Status Report* (SB04) during the examination period.

The Statewide Accounting Management System (SAMS) Manual (Procedures 07.30.20 and 25.40.10) requires the Commission to perform a monthly reconciliation of its records to specific Comptroller report (SB04) to ensure timely detection and correction of any irreconcilable differences so corrective action can be taken to locate the differences and correct the accounting records. The SAMS procedures identify "timely" as within 60 days of month end.

Commission officials indicated oversight and unfamiliarity with the requirements caused the issues noted above.

Failure to maintain supporting documentation and reconcile the Commission's records to the Office of the Comptroller's records represents noncompliance with

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2023-001. **FINDING** (Inadequate Controls over Receipts and Reconciliations)

SAMS and could result in incomplete or inaccurate financial information. (Finding Code No. 2023-001)

RECOMMENDATION

We recommend the Commission strengthen controls to ensure receipts are properly recorded and reconciliations are performed timely.

COMMISSION RESPONSE

We accept this finding. We are doing the required reconciliations monthly per the SAMS Manual and employees are aware of this requirement.

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2023-002. **FINDING** (Inadequate Controls over Travel)

The Legislative Audit Commission (Commission) did not exercise adequate controls over employee travel.

During the testing of six travel vouchers, we noted the following:

- One (17%) travel voucher tested, totaling \$1,567, did not include the approval date. As a result, we were unable to determine if the voucher was approved in a timely manner.

The Illinois Administrative Code (74 Ill Admin. Code 900.70) requires the Commission to review, in a timely manner, each bill after its receipt and approve proper bills or deny bills with defects, in whole or in part, within 30 days of receipt.

- For one (17%) travel voucher tested, we noted the lodging rate was in excess of the allowable amount by \$172. The Commission was unable to provide documentation showing the excess was pre-approved.

The Legislative Travel Regulation Council Rules (Rules) (Section 3000.420) states conference lodging charges exceeding maximum allowed in appendix A requires pre-approval from agency head.

- For one (17%) voucher tested, we noted a taxi cab reimbursement for \$25 for a ride totaling less than two miles. While reviewing the supporting documentation, we noted a charge, totaling \$22, labeled as “extra” on the taxi receipt. When we inquired the reason for the charge, the Commission was unable to provide an explanation.

The Rules (Section 3000.300) states travel should be by the most economical mode of transportation available. Further, the Rules (Section 3000.600) states tips when traveling by taxi are allowable, but the tip amount must be reasonable.

Commission officials indicated the issues noted were due to staff error and oversight.

Failure to maintain adequate internal controls over travel increases the likelihood of improper expenditures and represents noncompliance with State laws, rules, and regulations. (Finding Code No. 2023-002)

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2023-002. **FINDING** (Inadequate Controls over Travel)

RECOMMENDATION

We recommend the Commission strengthen controls and ensure travel vouchers are timely and properly approved and reviewed for acceptable charges.

COMMISSION RESPONSE

We accept this finding. We will ensure future travel vouchers are reviewed and approved timely and submitted correctly.