

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

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**STATE OF ILLINOIS
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UNIT OFFICIALS

Executive Director (10/16/23* – Present)	Russ Nagel
Executive Director (07/01/21 – 10/31/23*)	Ronald Rhone
Deputy Director (10/16/23** – Present)	Jerry Rabbe
Fiscal Officer	Jenna Williams

*There was an overlap in Executive Director position from 10/16/23 to 10/31/23.

**Deputy Director position was newly created, effective 10/16/23.

BOARD OFFICER

Chair (10/01/24 – Present)	Brad Bolin
Chair (10/01/23 – 09/30/24)	John Hollman
Chair (10/01/22 – 09/30/23)	Tim Anderson
Chair (10/01/21 – 09/30/22)	Scott Kaiser
Chair (07/01/21 – 09/30/21)	Brad Bolin

GOVERNING BOARD MEMBERS¹

<i>Secretary of the Senate</i> Member	Tim Anderson
<i>Assistant to the Secretary of the Senate</i> Member	Scott Kaiser
<i>Clerk of the House of Representatives</i> Member	John Hollman
<i>Assistant Clerk of the House of Representatives</i> Member	Brad Bolin

¹Under the Legislative Commission Reorganization Act of 1984 (25 ILCS 130/1-5(b)), the Unit's governing board consists of the Secretary and Assistant Secretary of the Senate and the Clerk and Assistant Clerk of the House of Representatives.

UNIT OFFICE

The Unit's primary administrative office is located at:

William G. Stratton Building
401 S. Spring Street, Room 610
Springfield, Illinois 62706



LEGISLATIVE PRINTING UNIT
610 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217/782-7312

MANAGEMENT ASSERTION LETTER

October 23, 2024

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 Printing Unit (Unit). 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 Unit'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 Unit has materially complied with the specified requirements listed below.

- A. The Unit 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 Unit 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 Unit has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Yours truly,

State of Illinois, Legislative Printing Unit

SIGNED ORIGINAL ON FILE

Russ Nagel, Executive Director

SIGNED ORIGINAL ON FILE

Jenna Williams, Fiscal Officer

**STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
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, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	4	2
Repeated Findings	2	2
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	8	2021/2019	Inadequate Controls over State Property	Significant Deficiency and Noncompliance
2023-002	9	2021/2019	Inadequate Controls over Voucher Processing	Significant Deficiency and Noncompliance
2023-003	10	New	Inadequate Controls over Personal Services	Significant Deficiency and Noncompliance
2023-004	12	New	Inadequate Controls over Commodities Inventory	Significant Deficiency and Noncompliance

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EXIT CONFERENCE

The Unit waived an exit conference in a correspondence from Jenna Williams, Fiscal Officer, on October 22, 2024. The responses to the recommendations were provided by Jenna Williams, Fiscal Officer, in a correspondence dated October 23, 2024.

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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 Printing Unit

Report on State Compliance

We have examined compliance by the State of Illinois, Legislative Printing Unit (Unit) 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 Unit is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Unit's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Unit 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 Unit 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 Unit has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

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 Unit complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Unit 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 Unit's compliance with the specified requirements.

In our opinion, the Unit 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 through 2023-004.

The Unit's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Unit'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 Unit 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 Unit's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Unit's compliance with the specified requirements and to test and report on the Unit's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the Unit'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 through 2023-004 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 Unit's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Unit'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

JANE CLARK, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
October 23, 2024

**STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-001. **FINDING** (Inadequate Controls over State Property)

The Legislative Printing Unit (Unit) did not exercise adequate controls over its property and related reporting.

During testing, we noted the following:

- One of three (33%) equipment addition items tested, totaling \$116,260, was not timely added to the Unit's property records within 90 days after acquisition. The item was added 59 days late.
- One of 40 (3%) equipment items selected for forwards (list to floor) testing, totaling \$1,480, was unable to be located. The item was surplus by the Unit in October 2021, yet it remained on the Unit's property records through the end of the examination period, June 30, 2023.

The Illinois Administrative Code (Ill. Admin. Code 5010.400) requires the Unit to adjust property records within 90 days after acquisition, change, or deletion of equipment items.

In addition, the Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires assets that are obsolete, damaged or no longer used in operations to be identified and if necessary, removed from the Unit's asset records.

During the prior examinations, Unit personnel indicated the issues noted were due to management oversight and Unit office closure during the pandemic. During the current examination, Unit personnel indicated the issues noted were due to employee error.

Failure to exercise adequate control over property and to maintain accurate property control records increases the potential for fraud and possible loss or theft of State property and reduces the reliability of statewide property information. (Finding Code No. 2023-001, 2021-001, 2019-001)

RECOMMENDATION

We recommend the Unit strengthen internal controls to ensure its property records are complete, accurate, and updated timely.

UNIT RESPONSE

The Unit accepts the recommendation. The Unit will strengthen internal controls over property to ensure that property control records are complete, accurate, and updated timely.

**STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-002. **FINDING** (Inadequate Controls over Voucher Processing)

The Legislative Printing Unit (Unit) did not exercise adequate controls over its voucher processing.

During testing, we noted 5 of 60 (8%) general vouchers tested, totaling \$33,792, were approved between 5 and 15 days late.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70) requires the Unit to review a bill and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the bill in whole or in part within 30 days after physical receipt of the bill.

During prior examinations, Unit personnel indicated delays in voucher approval and processing were due to competing priorities and Unit office closure during the pandemic. During the current examination, Unit personnel indicated the vouchers noted above were not approved timely due to competing priorities and staff error.

Late approval of vouchers represents noncompliance with the Code and could result in late payment interest penalties being owed by the Unit. (Finding Code No. 2023-002, 2021-002, 2019-002)

RECOMMENDATION

We recommend the Unit ensure vouchers are approved timely.

UNIT RESPONSE

The Unit accepts the recommendation. The Unit will strengthen controls over timeliness of voucher payment approvals in accordance with the Illinois Administrative Code.

**STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-003. **FINDING** (Inadequate Controls over Personal Services)

The Legislative Printing Unit (Unit) did not maintain adequate internal controls over its personal services.

During testing of personal service documentation for 4 employees, we noted the following:

- Two (50%) employees tested did not have a completed Employee Eligibility Verification Form (Form I-9) maintained in their personnel file. The Employer Review and Verification section of the Form I-9 was not completed for one employee, and the Form I-9 was missing for the other employee.

Federal law (8 U.S.C. § 1324a) requires an employer to complete and maintain a Form I-9 to verify an individual’s eligibility for employment in the United States. This form is to be retained for, at least, one year after employment was terminated or three years after the date of hire, whichever is later.

- 15 of 31 (48%) requests for time off tested attributable to the 4 employees selected for testing were not submitted by the employee to the Unit timely. The requests were submitted between 1 and 60 days late.

The Unit’s *Employee Handbook* requires employees to submit a “request for time off” using the Time Entry System (TES) in advance for the use of vacation, personal leave or compensatory time. Additionally, in the case of an emergency or sudden illness, the absence is required to be reported to the employee’s immediate Shop Supervisor prior to 8 a.m. or as soon as possible on the same day that the emergency has arisen. Immediately upon returning to the office, the employee is required to submit a request for time off in the TES.

- During testing of 80 weekly timesheets for 4 employees selected for testing, we noted:
 - 52 (65%) weekly timesheets tested were not submitted timely by Unit employees. The timesheets were submitted between 3 and 63 days late.
 - 11 (14%) weekly timesheets tested were submitted by someone other than the employee.

**STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-003. **FINDING** (Inadequate Controls over Personal Services) - Continued

The Unit's *Employee Handbook* requires employees to maintain a daily record of all hours worked and attendance records in the TES. Employees are required to submit timesheets in the TES on a weekly basis to certify that all time worked was on official State of Illinois business and the submitted information is true and correct.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Unit to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that (1) funds and resources are safeguarded against waste, loss, unauthorized use, and misappropriation; and (2) revenues, expenditures, resources, and funds are properly recorded and accounted for to permit the preparation of reliable reports and to maintain accountability over the State's resources.

Unit personnel indicated the issues noted were due to management oversight and staff error.

Failure to maintain Form I-9's properly could subject the State to unnecessary legal costs and penalties and represents noncompliance with federal law. Failure to establish and maintain adequate internal controls over attendance increases the risk that errors or other irregularities could occur and not be found within the normal course of operations, increases the risk of the Unit paying for services not rendered by employees, and represents noncompliance with laws, rules, and regulations. (Finding Code No. 2023-003)

RECOMMENDATION

We recommend the Unit strengthen its controls over personal services to ensure Form I-9's are properly completed and maintained in the personnel files and to ensure timely and accurate submission of employee timesheets and requests for time off.

UNIT RESPONSE

The Unit accepts the recommendations. The Unit will work to ensure that all employee Form I-9's are properly completed and maintained in personnel files. The Unit has implemented changes to the TES to allow for timely approval of time off requests and timely submission of weekly timesheets.

**STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2023**

2023-004. **FINDING** (Inadequate Controls over Commodities Inventory)

The Legislative Printing Unit (Unit) did not maintain adequate controls over its commodities inventory.

During testing, we noted the following:

- The Unit did not have adequate segregation of duties over its commodities inventory function. One person had the ability to order, receive, maintain, and perform periodic inventory counts of the commodity inventories.
- During forwards (list to floor) and backwards (floor to list) testing of the Unit's commodities inventory, we noted 8 of 24 (33%) items counted did not match the inventory records, and the differences noted could not be reconciled. Differences noted ranged between a 320-unit understatement and a 150-unit overstatement, resulting in a net \$3,865 understatement of the Unit's inventory balance.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Unit to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriations. In addition, good business practices require the Unit to maintain an adequate segregation of duties in order to help ensure the safeguarding of assets, prevent improper expenditures, ensure the accuracy and reliability of accounting data and promote operational efficiency.

The Statewide Accounting Management System (SAMS) (Procedure 02.50.20) requires detailed subsidiary records to be maintained for significant categories of inventories and periodically reconciled to control accounts. In addition, inventory transactions (receipts and issues) are required to be reported and accounted for timely.

Further, SAMS (Procedure 03.60.20) requires the Unit to perform periodic physical inventory counts, to reconcile its inventory records to the results of the count, and to update its inventory records accordingly.

Unit management indicated that the issues noted were due to oversight and limited number of staff devoted to this area. In addition, Unit management indicated ongoing updates to the system the Unit uses to track its inventory contributed to difficulties in maintaining accurate inventory balances.

**STATE OF ILLINOIS
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2023-004. **FINDING** (Inadequate Controls over Commodities Inventory) - Continued

The lack of adequate segregation of duties increases the likelihood that a loss from errors or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. Failure to exercise adequate control over commodities inventory and to keep accurate records of inventory on hand increases the potential for fraud and possible loss or theft of State property. (Finding Code No. 2023-004)

RECOMMENDATION

We recommend the Unit implement procedures to maintain accurate records of its commodities inventory. Further, the Unit should implement procedures to limit one person from having the authority to perform all of the functions associated with a transaction.

UNIT RESPONSE

The Unit accepts the recommendation. The Unit has implemented changes to commodities procedures to better maintain accurate inventory records and provide adequate segregation of duties over inventory.