



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

LEGISLATIVE REFERENCE BUREAU

State Compliance Examination
 For the Two Years Ended June 30, 2023

Release Date: March 28, 2024

FINDINGS THIS AUDIT: 4				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Category 1:	1	1	2	2021		23-03	
Category 2:	0	2	2	2019	23-02	23-04	
Category 3:	0	0	0				
TOTAL	1	3	4				
FINDINGS LAST AUDIT: 4							

SYNOPSIS

- **(23-01)** The Legislative Reference Bureau (Bureau) did not maintain adequate segregation of duties in the areas of employee timekeeping and accrued benefits.
- **(23-02)** The Bureau did not have adequate controls over the monthly reconciliations of appropriations and expenditures during Fiscal Year 2022 and Fiscal Year 2023.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

INADEQUATE SEGREGATION OF DUTIES

The Legislative Reference Bureau (Bureau) did not maintain adequate segregation of duties in the areas of employee timekeeping and accrued benefits.

Employee responsible for payroll approved and maintained their own accrued benefits

During testing, we noted one employee had the authority to submit and approve his/her own timesheets, was responsible for maintaining his/her own accrued benefits records, and the authority to prepare and make adjustments to payroll. We tested 53 weekly timesheets submitted by the employee during Fiscal Year 2023 and noted all were approved by the same employee, no evidence of oversight of the employee's accrued benefits records, and no documentation a detailed review of the employee's payroll was completed. (Finding 1, page 8)

We recommended the Bureau allocate sufficient personnel in order to maintain effective internal control over the authorization, custody, and record keeping over payroll. In addition, documentation should be maintained to support the controls are functioning as designed.

Bureau accepted the finding

Bureau officials accepted the finding and noted they appreciate the audit team bringing this issue to their attention. They have adopted a process to ensure that their employee's timekeeping records are now approved by another employee.

INADEQUATE CONTROLS OVER MONTHLY RECONCILIATIONS

The Legislative Reference Bureau (Bureau) did not have adequate controls over the monthly reconciliations of appropriations and expenditures during Fiscal Year 2022 and Fiscal Year 2023.

Reconciliations did not include unpaid reconciling items

During testing, we noted the Bureau prepared insufficient reconciliations between Bureau records and the Office of Comptroller's (Comptroller) Monthly Appropriation Status Report (SB01) during Fiscal Year 2022 and Fiscal Year 2023. The SB01 reconciliations did not include unpaid reconciling items between the Bureau and the Comptroller's Office. The unpaid reconciling items not identified by the Bureau totaled \$92,610 and \$289,730 at June 30, 2022 and June 30, 2023, respectively. (Finding 2, page 9) **This finding has been reported since 2019.**

We recommended the Bureau perform appropriation and expenditures reconciliations in accordance with SAMS.

Bureau accepted the finding

Bureau officials accepted the finding and noted they appreciate the auditors drawing this accounting error to their attention. They were not aware that items in transit were to be accounted for separately at the end of the fiscal year, and they have now changed their procedures to ensure that end-of-year purchases are either not made or are properly accounted for as items in transit.

OTHER FINDINGS

The remaining findings pertain to weaknesses in cybersecurity programs and practices and untimely submission of and errors in Agency Workforce Reports. We will review the Bureau’s progress towards the implementation of our recommendations in our next State compliance examination.

ACCOUNTANT’S OPINION

The accountants conducted a State compliance examination of the Bureau for the two years ended June 30, 2023, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2023-001 and 2023-002. Except for the noncompliance described in these findings, the accountants stated the Bureau complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by West & Company, LLC.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

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

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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