



STATE OF ILLINOIS
 OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

**OFFICE OF EXECUTIVE INSPECTOR GENERAL
 FOR AGENCIES OF THE ILLINOIS GOVERNOR**

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

Release Date: April 4, 2024

FINDINGS THIS AUDIT: 5				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2021		23-02, 23-03, 23-04	
Category 2:	2	3	5				
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	2	3	5				
FINDINGS LAST AUDIT: 4							

INTRODUCTION

The Office of Executive Inspector General for the Agencies of the Illinois Governor (Office) was established as an independent State agency charged with investigating allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, and violations of the State Officials and Employees Ethics Act.

SYNOPSIS

- (23-01) The Office did not timely file its Fiscal Control and Internal Auditing Act certifications.
- (23-04) The Office had not implemented adequate internal controls over its service providers.

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

NONCOMPLIANCE WITH THE FISCAL CONTROL AND INTERNAL AUDITING ACT

The Office did not comply with the Fiscal Control and Internal Auditing Act (FCIAA).

FCIAA compliance certifications were filed 8 to 200 days late.

The certifications of compliance with the FCIAA for Fiscal Year 2022 and Fiscal Year 2023 were not filed timely. The certifications were filed 200 and 8 calendar days late, respectively. (Finding 1, pages 9-10)

We recommended the Office perform timely evaluations of its systems of internal fiscal and administrative controls and timely file annual certifications regarding the evaluation with the Auditor General as required by the FCIAA.

Office agreed with finding

The Office agreed the FCIAA certifications were not timely filed during the audit period due to significant staff turnover.

INADEQUATE CONTROLS OVER SERVICE PROVIDERS

The Office had not implemented adequate internal controls over its service providers.

Office did not obtain or document review of SOC reports for one vendor

In order to carry out its mission, the Office utilized service providers for hosting services and software as a service. We performed testing over the service providers identified. During our testing, we noted the Office had not obtained System and Organization Control (SOC) reports or conducted independent internal control reviews of one of the three (33%) service providers identified by the Office.

The Office was able to provide the assessment of the SOC reports for two of three external service providers identified. However, the following were noted in relation to the review done by the Office:

Office's SOC review for two vendors lack details on impact on the Office's internal control environment

- The review did not provide details on specific areas assessed in the SOC report and the impact to the Office's internal control environment.
- The FY22 review of the Department of Innovation and Technology SOC reports was done based on the report issued under Government Auditing Standards and did not include the review of the full SOC reports. Further, the review did not specify the Office's assessment of the impact to their internal control environment and specific actions to be taken or compensating controls in place, by the Office.

Office did not obtain or document review of SOC reports for subservice organizations

- The Office’s review of the SOC reports do not identify the controls in place to address Complementary User Entity Controls (CUECs) related to the Office’s operations as listed in the SOC reports.
- The Office did not obtain and review SOC reports for subservice organizations or perform alternative procedures or evaluation to satisfy itself that the existence of the subservice organization would not impact its internal control environment. (Finding 4, pages 16-17)

We recommended the Office strengthen its controls in identifying and documenting all service providers utilized. Further, we recommended the Office obtain SOC reports or conduct independent internal control reviews at least annually. In addition, we recommended the Office:

- Monitor and document the operation of the Complementary User Entity Controls (CUECs) related to the Office’s operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impact to the Office, and any compensating controls.

Office partially agreed with finding

The Office agreed it did not review a SOC report from one service provider due to the service provider not providing it. The Office disagreed with the remainder of the finding regarding the Office’s review and documentation of review of SOC reports. However, Office officials stated that going forward the Office will implement practices for a more detailed SOC review.

OTHER FINDINGS

The remaining findings pertains to cybersecurity weaknesses, disaster recovery planning weaknesses, and late submission of census data reconciliation certification. We will review the Office’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 Office for the two years ended June 30, 2023, as required by the Illinois State Auditing Act. The accountants stated the Office complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Adelfia 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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