



**STATE EMPLOYEES' RETIREMENT
SYSTEM OF ILLINOIS**

COMPLIANCE EXAMINATION OF CENSUS DATA

For the Year Ended June 30, 2021

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



SIKICH.COM

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

**COMPLIANCE EXAMINATION OF CENSUS DATA
For the Year Ended June 30, 2021**

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DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
PENSION SYSTEM COMPLIANCE EXAMINATION
For the Year Ended June 30, 2021

AGENCY OFFICIALS

Director (Acting) (6/13/2022 - Present)	Mr. Anthony Pascente
Director (2/18/2020 - 6/12/2022)	Ms. Janel Forde
Assistant Director (Acting) (9/7/2021 – Present)	Ms. Raven DeVaughn
Assistant Director (3/28/2022 – Present)	Mr. Mark Mahoney
Assistant Director (Acting) (5/1/2021 – 3/27/2022)	Mr. Mark Mahoney
Assistant Director (12/4/2020 – 4/30/2021)	Vacant
Assistant Director (Acting) (7/1-2020 – 12/3/2020)	Mr. Michael Merchant
Chief of Staff	Mr. Anthony Pascente
Chief Administrative Officer (5/1/2021 – Present)	Ms. Sarah Kerley
Chief Administrative Officer (7/1/2020 – 4/30/2021)	Mr. Mark Mahoney
Chief Operating Officer	Ms. Aysegul Kalaycioglu
Chief Fiscal Officer (1/21/2021 – Present)	Ms. Karen Pape
Chief Fiscal Officer (Acting) (7/1/2020 – 1/20/2021)	Ms. Karen Pape
General Counsel	Mr. Terrence Glavin
Chief Internal Auditor	Mr. Jack Rakers

Agency main offices are located at:

702 Stratton Office Building
401 South Spring Street
Springfield, IL 62706



MANAGEMENT ASSERTION LETTER

July 21, 2022

Sikich LLP
3201 W. White Oaks Dr., Suite 102
Springfield, IL 62704

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the State of Illinois, Department of Central Management Services (Department) and reporting their significant elements of census data and related employer contributions within the State Employees Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Department's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Department has materially complied with the specified requirements listed below.

- A. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2021.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2021, were completely and accurately reported by the Department to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,
 - retirement deduction code.
- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2021, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Sincerely,

Illinois Department of Central Management Services

SIGNED ORIGINAL ON FILE

Anthony Pascente, Acting Director

SIGNED ORIGINAL ON FILE

Karen Pape, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Terrence Glavin, General Counsel

**STATE OF ILLINOIS
DEPARTMENT OF CENTRAL
MANAGEMENT SERVICES**

**COMPLIANCE EXAMINATION OF CENSUS DATA
For the Year Ended June 30, 2021**

EXAMINATION REPORT

SUMMARY

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
<u>Findings</u>	<u>Report</u>	<u>Report*</u>
Findings	1	N/A
Repeated Findings	N/A	N/A
Prior Recommendations Implemented or Not Repeated	N/A	N/A

* This is the first compliance examination over census data. Therefore, there were no prior findings.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First</u> <u>Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding				
2021-001	9	New	Inaccurate Census Data	Significant Deficiency and Noncompliance

EXIT CONFERENCE

The Illinois Department of Central Management Services waived an exit conference in a correspondence from Amy Lange, Audit Liaison, on July 6, 2022.

SIKICH.COM**INDEPENDENT ACCOUNTANT'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE**

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Mr. Anthony Pascente
Acting Director
Illinois Department of Central Management Services

External Auditors
Illinois Department of Central Management Services

Board of Trustees
State Employees' Retirement System of Illinois

Mr. Timothy B. Blair
Executive Secretary
State Employees' Retirement System of Illinois

Compliance

As limited-scope Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the State of Illinois, Department of Central Management Services (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 census data accumulation year for the System ended June 30, 2021, and the proportionate share allocation year for the System ended June 30, 2021. 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. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2021.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2021, were completely and accurately reported by the Department to the System.

The significant elements of census data of the System include each employee's:

- social security number;
- first and last name;
- date of birth;
- gender;
- rate of pay; and,
- retirement deduction code.

- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2021, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 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.

In our opinion, the Department complied with the specified requirements during the census data accumulation year for the System ended June 30, 2021, and the proportionate share allocation year for the System ended June 30, 2021, 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 item 2021-001.

The Department's response to compliance finding identified in our examination is described in the accompanying Schedule of Findings. The Department's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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.

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.

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 item 2021-001 that we consider to be a significant deficiency.

The Department's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The Department's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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

Springfield, Illinois
July 21, 2022

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
COMPLIANCE EXAMINATION OF CENSUS DATA
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

2021-001 **FINDING** (Inaccurate Census Data)

The Department of Central Management Services (Department) did not ensure accurate census data was used in the actuarial valuations.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employers financial statements), 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 accumulation period is split among 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 must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the Department's employees are members of both the State Employees' Retirement System of Illinois (SERS) for their pensions and the State Employees Group Insurance Program sponsored by the Department for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans.

During backwards testing, we noted one of 40 (3%) employee had a retirement code that differed between Department and SERS records, which resulted in inaccurate data being used in the pension and OPEB actuarial valuations. The independent actuary used for the pension and OPEB plans deemed the error immaterial to the valuations.

The State Records Act (5 ILCS 160/8) requires the Department make and preserve records containing adequate and proper documentation of its essential transactions to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

Department officials indicated these exceptions were due to oversight.

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
COMPLIANCE EXAMINATION OF CENSUS DATA
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

2021-001 **FINDING** (Inaccurate Census Data) (Continued)

Failure to ensure census data reported to SERS was complete and accurate may result in a material misstatement of the Department's financial statements and reduced the overall accuracy of SERS-related pension liabilities, deferred inflows and outflows of resources, and expense recorded by the State and its agencies.

RECOMMENDATION

We recommend the Department implement controls to ensure accurate data is used in the actuarial valuation. If differences are noted between the Department's data and SERS these differences should be communicated timely to ensure the actuarial valuations are using accurate data.

DEPARTMENT RESPONSE

The Bureau of Personnel (BoP) has completed the initial reconciliation of census data. BoP has contacted SERS in preparation for the annual reconciliation for current year 2022. BoP anticipates having the annual reconciliation completed on-time in accordance with the statute.

DEPARTMENT OF TRANSPORTATION

ILLINOIS DEPARTMENT OF TRANSPORTATION
COMPLIANCE EXAMINATION OF CENSUS DATA
For the Year Ended June 30, 2021

DEPARTMENT OFFICIALS

Secretary (06/01/21 – Present)	Mr. Omer Osman
Secretary (Acting) (07/01/20 – 05/31/21)	Mr. Omer Osman
Assistant Secretary	Vacant
Chief of Staff	Ms. Georgina (Syas) White
Deputy Chief of Staff (05/16/22 – Present)	Vacant
Deputy Chief of Staff (07/01/20 – 05/15/22)	Ms. Becky Locker
Chief Operating Officer (04/23/22 – Present)	Vacant
Chief Operating Officer (07/01/20 – 04/22/22)	Ms. Sheleda Doss
Chief Fiscal Officer (04/01/22 – Present)	Ms. Vickie Wilson
Chief Fiscal Officer (Acting) (07/01/20 – 03/31/22)	Ms. Joanne Woodworth
Director, Office of Communications	Mr. Guy Tridgell
Director, Office of Legislative Affairs (01/01/22 – Present)	Mr. Matthew McAnarney
Director, Office of Legislative Affairs (Acting) (12/01/21 – 12/31/21)	Mr. Matthew McAnarney
Director, Office of Legislative Affairs (07/01/20 – 11/30/21)	Ms. Nicola Cortez-Hun
Director, Office of Finance and Administration (02/16/22 – Present)	Ms. Vicki Wilson
Director, Office of Finance and Administration (07/01/20 – 02/15/22)	Vacant
Deputy Director, Office of Finance and Administration	Mr. Matt Magalis
Director, Office of Business and Workforce Diversity (05/02/22 – Present)	Mr. Jonathan McGee
Director, Office of Business and Workforce Diversity (01/01/22 – 05/01/22)	Vacant
Director, Office of Business and Workforce Diversity (07/01/20 – 12/31/21)	Ms. Pamela Simon
Director/Chief Legal Counsel, Office of Chief Counsel (06/01/2021 – Present)	Ms. Yangsu Kim
Director/Chief Legal Counsel, Office of Chief Counsel (Acting) (05/01/21 – 05/31/21)	Ms. Margaret VanDijk
Director/Chief Legal Counsel, Office of Chief Counsel (07/01/20 – 04/30/21)	Mr. Phil Kaufmann

ILLINOIS DEPARTMENT OF TRANSPORTATION
COMPLIANCE EXAMINATION OF CENSUS DATA
For the Year Ended June 30, 2021

Director/Chief Internal Auditor, Office of Internal Audit	Mr. Stephen Kirk
Deputy Secretary of Communications and Legislative Affairs formally Deputy Secretary of Program Development and External Affairs (05/15/22 – Present)	Ms. Becky Locker
Deputy Secretary of Communications and Legislative Affairs formally Deputy Secretary of Program Development and External Affairs (01/01/22 – 05/15/22)	Vacant
Deputy Secretary of Communications and Legislative Affairs formally Deputy Secretary of Program Development and External Affairs (07/01/20 – 04/22/22)	Mr. Douglas House
Deputy Secretary of Administration, Diversity and Legal Affairs (03/16/21 – Present)	Ms. Margaret vanDijk
Deputy Secretary of Administration, Diversity and Legal Affairs (07/01/20 – 03/15/21)	Vacant
Deputy Secretary of Project Implementation	Vacant
Director, Office of Planning and Programming (09/16/20 – Present)	Ms. Holly (Ostdick) Bieneman
Director, Office of Planning and Programming (07/01/20 – 09/15/20)	Vacant
Deputy Director, Office of Planning and Programming (07/01/22 – Present)	Ms. Elizabeth Irvin
Deputy Director, Office of Planning and Programming (07/01/20 – 06/30/22)	Vacant
Director, Office of Highways Project Implementation (07/01/21 – Present)	Mr. Stephen Travia
Director, Office of Highways Project Implementation (07/01/20 – 06/30/21)	Vacant
Deputy Director, Office of Highways Project Implementation (11/16/21 - Present)	Mr. Justan Mann
Deputy Director, Office of Highways Project Implementation (07/01/20 – 11/15/21)	Vacant
Director, Office of Intermodal Project Implementation (01/18/22 – Present)	Mr. Jason Osborn
Director, Office of Intermodal Project Implementation (Acting) (07/01/20 – 01/17/22)	Mr. Matt Magalis
Deputy Director, Rail, Office of Intermodal Project Implementation	Mr. John Oimoen

ILLINOIS DEPARTMENT OF TRANSPORTATION

**COMPLIANCE EXAMINATION OF CENSUS DATA
For the Year Ended June 30, 2021**

Deputy Director, Transit, Office of Intermodal Project Implementation (06/01/21 – Present)	Ms. Ashounta Reese
Deputy Director, Transit, Office of Intermodal Project Implementation (Acting) (07/01/20 – 05/31/21)	Mr. John Oimoen
Deputy Director, Aeronautics, Office of Intermodal Project Implementation	Mr. Clayton Stambaugh

The Department's primary administrative offices are located at:

2300 S. Dirksen Parkway
Springfield, IL 62764

69 W. Washington Street
Chicago, IL 60602



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois 62764

MANAGEMENT ASSERTION LETTER

July 21, 2022

Sikich LLP
3201 W. White Oaks Dr., Suite 102
Springfield, IL 62704

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the State of Illinois, Department of Transportation (Department) and reporting their significant elements of census data and related employer contributions within the State Employees Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Department's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Department has materially complied with the specified requirements listed below.

- A. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2021.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2021, were completely and accurately reported by the Department to the System. The significant elements of census data of the System include each employee's:
 - a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2021, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Illinois Department of Transportation

SIGNED ORIGINAL ON FILE

Omer Osman, Secretary

SIGNED ORIGINAL ON FILE

Vicki Wilson, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Yongsu Kim, Chief Legal Counsel

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF TRANSPORTATION
COMPLIANCE EXAMINATION OF CENSUS DATA
For the Year Ended June 30, 2021

EXAMINATION REPORT

SUMMARY

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
	<u>Report</u>	<u>Reports*</u>
Findings	0	N/A
Repeated Findings	N/A	N/A
Prior Recommendations Implemented or Not Repeated	N/A	N/A

* This is the first compliance examination over census data. Therefore, there were no prior findings.

EXIT CONFERENCE

The Department waived an exit conference in a correspondence from Jerry Nimmons, Internal Auditor, on July 28, 2022.

3201 W. White Oaks Dr., Suite 102
Springfield, IL 62704
217.793.3363

SIKICH.COM

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Mr. Omer Osman
Secretary
Illinois Department of Transportation

External Auditors
Illinois Department of Transportation

Board of Trustees
State Employees' Retirement System of Illinois

Mr. Timothy B. Blair
Executive Secretary
State Employees' Retirement System of Illinois

Compliance

As limited-scope Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the State of Illinois, Department of Transportation (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 census data accumulation year for the System ended June 30, 2021, and the proportionate share allocation year for the System ended June 30, 2021. 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. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2021.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2021, were completely and accurately reported by the Department to the System.

The significant elements of census data of the System include each employee's:

- social security number;
- first and last name;
- date of birth;
- gender;
- rate of pay; and,
- retirement deduction code.

- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2021, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 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.

In our opinion, the Department complied with the specified requirements during the census data accumulation year for the System ended June 30, 2021, and the proportionate share allocation year for the System ended June 30, 2021, in all material respects.

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.

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.

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.

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

Springfield, Illinois
July 21, 2022