



**STATE EMPLOYEES' RETIREMENT
SYSTEM OF ILLINOIS**

COMPLIANCE EXAMINATIONS OF PENSION CENSUS
DATA

For the Year Ended June 30, 2022

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



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STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
COMPLIANCE EXAMINATIONS OF PENSION CENSUS DATA

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STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
COMPLIANCE EXAMINATIONS OF PENSION CENSUS DATA

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DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

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

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022**

DEPARTMENT OFFICIALS

Director (Acting) (01/21/2023 – Present)	Ms. Raven DeVaughn
Director (Acting) (06/13/2022 – 01/20/2023)	Mr. Anthony Pascente
Director (07/01/2021 – 06/12/2022)	Ms. Janel Forde
Assistant Director (03/28/2022 – Present)	Mr. Mark Mahoney
Assistant Director (Acting) (07/01/2021 – 03/27/2022)	Mr. Mark Mahoney
Assistant Director (01/21/2023 – Present)	Vacant
Assistant Director (Acting) (09/07/2021 – 01/20/2023)	Ms. Raven DeVaughn
Chief of Staff (02/16/2023 – Present)	Mr. Patrick Nolan
Chief of Staff (06/13/2022 – 02/15/2023)	Vacant
Chief of Staff (07/01/2021 - 06/12/2022)	Mr. Anthony Pascente
Chief Administrative Officer	Ms. Sarah Kerley
Chief Operating Officer (01/21/2023 – Present)	Vacant
Chief Operating Officer (07/01/2021 – 01/20/2023)	Ms. Aysegul Kalaycioglu
Chief Financial Officer	Ms. Karen Pape
General Counsel	Mr. Terrence Glavin
Chief Internal Auditor	Mr. Jack Rakers

Agency main offices are located at:

State of Illinois Building
555 W. Monroe Street
Chicago, Illinois 60661

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



MANAGEMENT ASSERTION LETTER

April 5, 2023

Sikich LLP
3051 Hollis Drive, 3rd Floor
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 and/or employee 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, 2022.
- 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, 2022, 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, 2022, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Department and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Department of Central Management Services

SIGNED ORIGINAL ON FILE

Raven DeVaughn, Acting Director

SIGNED ORIGINAL ON FILE

Karen Pape, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Terrence Glavin, Chief Legal Counsel

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

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022**

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

* The first compliance examination over census data of the Department of Central Management Services was for the year ended June 30, 2021.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Prior Finding Not Repeated				
A	8	2021/2021	Inaccurate Census Data	

EXIT CONFERENCE

The Illinois Department of Central Management Services waived an exit conference in a correspondence from Amy Lange, Senior Internal Auditor, on March 14, 2023.

3051 Hollis Drive, 3rd Floor
Springfield, IL 62704
217.793.3363

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**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

Ms. Raven DeVaughn
Acting Director
State of Illinois, Department of Central Management Services

External Auditors
State of 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:

- 1) the census data accumulation year for the System ended June 30, 2022; and
- 2) the proportionate share allocation year for the System ended June 30, 2022.

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, 2022.
- 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, 2022, 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, 2022, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Department and recorded within the Statewide Accounting Management System under detail object code 1120 was 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, in all material respects, with the specified requirements during:

- 1) the census data accumulation year for the System ended June 30, 2022, and
- 2) the proportionate share allocation year for the System ended June 30, 2022.

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
April 5, 2023

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

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
SCHEDULE OF FINDINGS – PRIOR FINDING NOT REPEATED
For the Year Ended June 30, 2022**

A. **FINDING** (Inaccurate Census Data)

In the prior year examination, the Department of Central Management Services (Department) did not ensure accurate census data was used in the actuarial valuations.

In the current examination, we noted the Department used accurate census data in the actuarial valuations. (Finding Code No. 2021-001)

DEPARTMENT OF TRANSPORTATION

**STATE OF ILLINOIS
DEPARTMENT OF TRANSPORTATION**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022**

DEPARTMENT OFFICIALS

Secretary	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 (07/01/21 – 05/15/22)	Ms. Becky Locker
Chief Operating Officer (04/23/22 – Present)	Vacant
Chief Operating Officer (07/01/21 – 04/22/22)	Ms. Sheleda Doss
Chief Fiscal Officer (04/01/22 – Present)	Ms. Vicki Wilson
Chief Fiscal Officer (Acting) (07/01/21 – 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 (07/01/21 – 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 (07/01/21 – 02/15/22)	Vacant
Deputy Director, Office of Finance and Administration	Mr. Matt Magalis
Director, Office of Business and Workforce Diversity (10/01/22 – Present)	Vacant
Director, Office of Business and Workforce Diversity (05/02/22 – 09/30/22)	Mr. Jonathan McGee
Director, Office of Business and Workforce Diversity (01/01/22 – 05/01/22)	Vacant
Director, Office of Business and Workforce Diversity (07/01/21 – 12/31/21)	Ms. Pamela Simon
Director/Chief Legal Counsel, Office of Chief Counsel	Ms. Yangsu Kim
Director/Chief Internal Auditor, Office of Internal Audit	Mr. Stephen Kirk

**STATE OF ILLINOIS
DEPARTMENT OF TRANSPORTATION**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022**

Deputy Secretary of Communications and Legislative Affairs formerly Deputy Secretary of Program Development and External Affairs (03/01/23 – Present)	Vacant
Deputy Secretary of Communications and Legislative Affairs formerly Deputy Secretary of Program Development and External Affairs (05/15/22 – 02/28/23)	Ms. Becky Locker
Deputy Secretary of Communications and Legislative Affairs formerly Deputy Secretary of Program Development and External Affairs (01/01/22 – 05/14/22)	Vacant
Deputy Secretary of Communications and Legislative Affairs formerly Deputy Secretary of Program Development and External Affairs (07/01/21 – 12/31/21)	Mr. Douglas House
Deputy Secretary of Administration, Diversity and Legal Affairs (01/01/23 – Present)	Vacant
Deputy Secretary of Administration, Diversity and Legal Affairs (07/01/21 – 12/31/22)	Ms. Margaret vanDijk
Deputy Secretary of Project Implementation	Vacant
Director, Office of Planning and Programming	Ms. Holly (Ostdick) Bieneman
Deputy Director, Office of Planning and Programming (07/01/22 – Present)	Ms. Elizabeth Irvin
Deputy Director, Office of Planning and Programming (07/01/21 – 06/30/22)	Vacant
Director, Office of Highways Project Implementation	Mr. Stephen Travia
Deputy Director, Office of Highways Project Implementation (11/16/21 - Present)	Mr. Justan Mann
Deputy Director, Office of Highways Project Implementation (07/01/21 – 11/15/21)	Vacant
Director, Office of Intermodal Project Implementation (01/18/22 – Present)	Mr. Jason Osborn
Director, Office of Intermodal Project Implementation (Acting) (07/01/21 – 01/17/22)	Mr. Matt Magalis
Deputy Director, Rail, Office of Intermodal Project Implementation	Mr. John Oimoen
Deputy Director, Transit, Office of Intermodal Project Implementation	Ms. Ashounta Reese

**STATE OF ILLINOIS
DEPARTMENT OF TRANSPORTATION**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022**

Deputy Director, Aeronautics, Office of Intermodal Project Mr. Clayton Stambaugh
Implementation

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

Office of Internal Audit
2300 South Dirksen Parkway / Springfield, Illinois 62764

MANAGEMENT ASSERTION LETTER

March 28, 2023

Sikich LLP
3051 Hollis Drive, 3rd Floor
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 and/or employee 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, 2022.
- 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, 2022, 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, 2022, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Department of Transportation

SIGNED ORIGINAL ON FILE

Omer Osman, Secretary

SIGNED ORIGINAL ON FILE

Vicki Wilson, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Yangsu Kim, Chief Legal Counsel

**STATE OF ILLINOIS
DEPARTMENT OF TRANSPORTATION**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022**

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 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 Report</u>	<u>Prior Report</u>
Findings	-	-
Repeated Findings	-	N/A*
Prior Recommendations Implemented or Not Repeated	-	N/A*

* The first compliance examination over census data of the Department of Transportation was for the year ended June 30, 2021.

EXIT CONFERENCE

The State of Illinois, Department of Transportation waived an exit conference in correspondence from Kayla Routh, External Audit Coordinator, on March 9, 2023.

3051 Hollis Drive, 3rd Floor
Springfield, IL 62704
217.793.3363

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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
State of Illinois, Department of Transportation

External Auditors
State of 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:

- 1) the census data accumulation year for the System ended June 30, 2022; and,
- 2) the proportionate share allocation year for the System ended June 30, 2022.

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, 2022.
- 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, 2022, 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, 2022, 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, in all material respects, with the specified requirements during:

- 1) the census data accumulation year for the System ended June 30, 2022, and
- 2) the proportionate share allocation year for the System ended June 30, 2022.

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
March 28, 2023

DEPARTMENT OF INNOVATION AND TECHNOLOGY

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022

DEPARTMENT OFFICIALS

Secretary (Acting) (01/13/2023 – Present)	Mr. Brandon Ragle
Secretary (04/09/2022 – 01/12/2023)	Ms. Jennifer Ricker
Secretary (Acting) (07/01/2021 – 04/08/2022)	Ms. Jennifer Ricker
Assistant Secretary	Vacant
Chief Administrative Officer (01/01/2023 – Present)	Mr. Albert Coll
Chief Administrative Officer (11/01/2022 – 12/31/2022)	Vacant
Chief Administrative Officer (07/01/2021 – 10/31/2022)	Ms. Nina Harris
Chief of Staff	Ms. Jenifer Johnson
Chief Fiscal Officer (09/15/2022 – Present)	Ms. Mary Feagans
Chief Fiscal Officer (06/16/2022 – 09/14/2022)	Vacant
Chief Fiscal Officer (Acting) (07/01/21 – 06/15/2022)	Mr. Brian Turner
General Counsel (01/01/2023 – Present)	Ms. Margaret Van Dijk
General Counsel (11/01/2022 – 12/31/2022)	Vacant
General Counsel (07/01/2021 – 10/31/2022)	Mr. Matthew Runyen
Chief Internal Auditor	Mr. John Valtierra

The Department of Innovation and Technology's primary administrative office is located at:

120 West Jefferson Street
Springfield, Illinois 62702

MANAGEMENT ASSERTION LETTER

March 27, 2023

Sikich LLP
3051 Hollis Drive, 3rd Floor
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 Innovation and Technology (Department) and reporting their significant elements of census data and related employer and/or employee 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, 2022.
- 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, 2022, 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. General Revenue Fund payroll paid by the Department during the allocation year ended June 30, 2022, and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Department of Innovation and Technology

SIGNED ORIGINAL ON FILE

Brandon Ragle, Acting Secretary

SIGNED ORIGINAL ON FILE

Mary Feagans, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Margaret van Dijk, General Counsel

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION
AND TECHNOLOGY**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022**

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 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 Report</u>	<u>Prior Report*</u>
Findings	-	N/A
Repeated Findings	-	N/A
Prior Recommendations Implemented or Not Repeated	-	N/A

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

EXIT CONFERENCE

The Illinois Department of Innovation and Technology waived an exit conference in a correspondence from Jessica Micenheimer, External Audit Coordinator, on March 14, 2023.

3051 Hollis Drive, 3rd Floor
Springfield, IL 62704
217.793.3363

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**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. Brandon Ragle
Acting Secretary
State of Illinois, Department of Innovation and Technology

External Auditors
State of Illinois, Department of Innovation and Technology

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 Innovation and Technology (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:

- 1) the census data accumulation year for the System ended June 30, 2022; and
- 2) the proportionate share allocation year for the System ended June 30, 2022.

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, 2022.
- 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, 2022, 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. General Revenue Fund payroll paid by the Department during the allocation year ended June 30, 2022, and recorded within the Statewide Accounting Management System under detail object code 1120 was 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, in all material respects, with the specified requirements during:

- 1) the census data accumulation year for the System ended June 30, 2022, and
- 2) the proportionate share allocation year for the System ended June 30, 2022.

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
March 27, 2023

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois

COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022

AUTHORITY OFFICIALS

Executive Director (08/06/2022 – Present)	Ms. Cassaundra Rouse
Interim Executive Director (04/01/2022 – 08/05/2022)	Ms. Lanyea Griffin
Executive Director (03/16/2022 – 03/31/2022)	Vacant
Executive Director (07/01/2021 – 03/15/2022)	Mr. Jose Alvarez
Chief Financial Officer	Ms. Cathy R. Williams
General Counsel	Ms. Kathleen Pasulka-Brown
Chief Operations Officer (11/16/2022 – Present)	Mr. Jeffrey Donoghue
Chief Operations Officer (08/06/2022 – 11/15/2022)	Vacant
Chief Operations Officer (07/22/2021 – 08/05/2022)	Ms. Cassaundra Rouse
Chief Operations Officer (07/01/2021 – 07/21/2021)	Vacant
Controller	Ms. Patricia Pearn

TOLL HIGHWAY AUTHORITY BOARD OFFICERS

Chair (02/17/2023 – Present)	Mr. Arnaldo Rivera
Chair (02/01/2023 – 02/16/2023)	Vacant
Chair (02/18/2022 – 01/31/2023)	Ms. Dorothy Abreu
Chair (07/01/2021 – 02/17/2022)	Mr. William Evans Jr.
Vice Chair	Mr. James Connolly

TOLL HIGHWAY AUTHORITY BOARD MEMBERS

Member (04/01/2023 – Present)	Vacant
Member (07/01/2021 – 03/31/2023)	Ms. Alice Gallagher
Member	Ms. Jacqueline Gomez Fuentes
Member	Ms. Karen McConnaughay
Member	Mr. Scott Paddock
Member	Mr. Gary Perinar
Member	Mr. James Sweeney
Member (04/02/2022 – Present)	Vacant
Member (07/01/2021 – 04/01/2022)	Mr. Stephen Davis

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois

COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022

The Illinois State Toll Highway Authority's primary administrative offices are located at:

2700 Ogden Avenue
Downers Grove, Illinois 60515



MANAGEMENT ASSERTION LETTER

March 29, 2023

Sikich LLP
3051 Hollis Drive, 3rd Floor
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 Illinois State Toll Highway Authority (Authority), a component unit of the State of Illinois, and reporting their significant elements of census data and related employer and/or employee 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 Authority’s compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Authority has materially complied with the specified requirements listed below.

- A. All of the Authority’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, 2022.
- 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, 2022 were completely and accurately reported by the Authority 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 Authority to the System during the proportionate share allocation year ended June 30, 2022 were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

Illinois State Toll Highway Authority

SIGNED ORIGINAL ON FILE

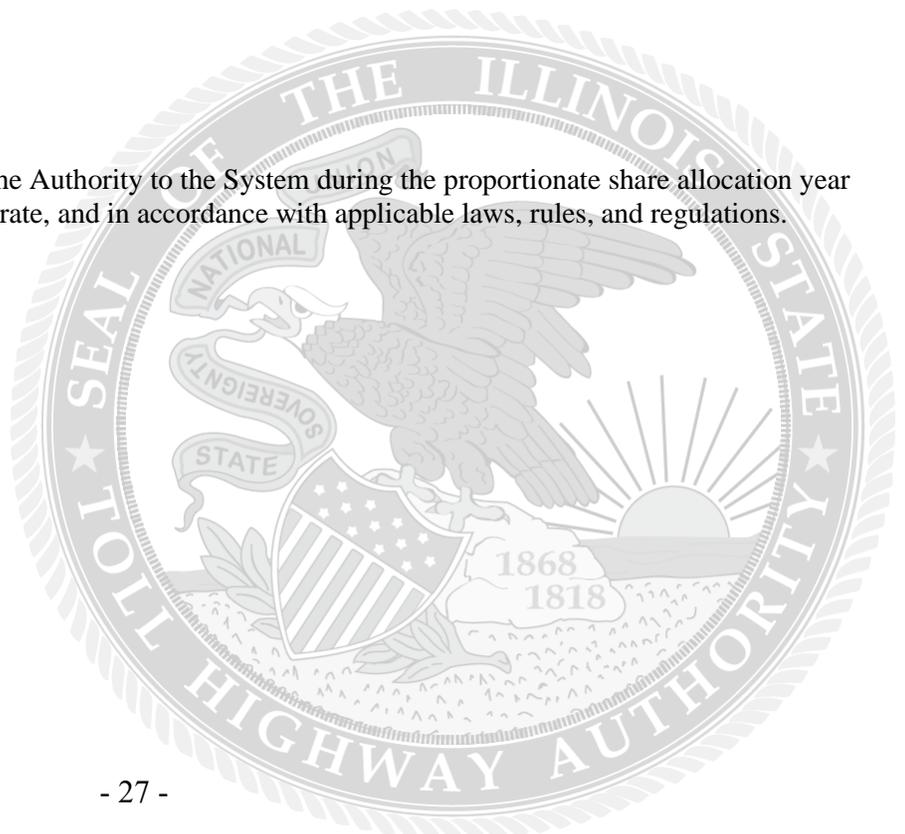
Cassandra Rouse, Executive Director

SIGNED ORIGINAL ON FILE

Cathy R. Williams, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Kathleen Pasulka-Brown, General Counsel



THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois

COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022

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 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	-
Repeated Findings	-	N/A*
Prior Recommendations Implemented or Not Repeated	-	N/A*

* The first compliance examination over census data of the Illinois State Toll Highway Authority was for the year ended June 30, 2021.

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				
2022-001	33	New	Inaccurate Census Data	Significant Deficiency and Noncompliance

EXIT CONFERENCE

The Illinois State Toll Highway Authority waived an exit conference in a correspondence from Patricia Pearn, Controller, on March 9, 2023.

3051 Hollis Drive, 3rd Floor
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

Board of Directors
Illinois State Toll Highway Authority

Ms. Cassaundra Rouse
Interim Executive Director
Illinois State Toll Highway Authority

External Auditors
Illinois State Toll Highway Authority

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 Illinois State Toll Highway Authority (Authority), a component unit of the State of Illinois, 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:

- 1) the census data accumulation year for the System ended June 30, 2022; and
- 2) the proportionate share allocation year for the System ended June 30, 2022.

Management of the Authority is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination. The specified requirements are:

- A. All of the Authority'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, 2022.
- 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, 2022, were completely and accurately reported by the Authority 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 Authority to the System during the proportionate share allocation year ended June 30, 2022, 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 Authority complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Authority 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 Authority's compliance with the specified requirements.

In our opinion, the Authority complied, in all material respects, with the specified requirements during:

- 1) the census data accumulation year for the System ended June 30, 2022; and
- 2) the proportionate share allocation year for the System ended June 30, 2022.

However, the results of our procedures disclosed an instance of noncompliance with the specified requirements, which is required to be reported in accordance with criteria established by the *Audit Guide* and is described in the accompanying Schedule of Findings as item 2022-001.

The Authority's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The Authority'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 Authority 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 Authority's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Authority's compliance with the specified requirements and to test and report on the Authority's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 2022-001, that we consider to be a significant deficiency.

The Authority's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The Authority'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
March 29, 2023

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois

COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2022

2022-001 **FINDING** (Inaccurate Census Data)

The Illinois State Toll Highway Authority (Authority) 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 employer's 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 Authority'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 State of Illinois, Department of Central Management Services (CMS) 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 forwards testing, we noted one of 60 (2%) employees had a retirement deduction code that differed between Authority and SERS records.

The independent actuaries utilized by SERS and the State of Illinois for the pension and OPEB plans deemed the error immaterial to the plan level valuations as a whole.

The State Records Act (5 ILCS 160/8) requires the Authority 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 Authority's activities.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Authority 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.

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois

COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2022

2022-001 **FINDING** (Inaccurate Census Data) (Continued)

Authority management stated the noted employee's pension code was determined to be incorrect after review by SERS shortly before the June 30, 2022, census data was prepared, and was reflected in the SERS census file. The Authority was not notified of this change, therefore, its records did not correspond to the SERS records.

Failure to ensure census data reported to SERS was complete and accurate may result in a material misstatement of the Authority'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. (Finding Code No. 2022-001)

RECOMMENDATION

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

DEPARTMENT RESPONSE

The Authority agrees with the auditors' recommendation. We will review our procedures to ensure we notify SERS timely of all discrepancies.

ILLINOIS STATE POLICE – DISTRICT 15

**STATE OF ILLINOIS
ILLINOIS STATE POLICE - DISTRICT 15**

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022**

DEPARTMENT OFFICIALS

Director	Mr. Brendan Kelly
First Deputy Director	Mr. Matt Davis
Chief Financial Officer (11/01/21 - Present)	Mr. Benjamin Dieterich
Chief Financial Officer (07/01/21 - 10/31/21)	Mr. Michael Yokley
Acting Chief Legal Counsel (06/02/22 – Present)	Ms. Kelly Griffith
Chief Legal Counsel (07/01/21 – 06/01/22)	Ms. Maureen McCurry
Chief Internal Auditor	Ms. Denise Caldwell

The Department's primary administrative offices are located at:

801 South Seventh Street
Springfield, Illinois 62703

**STATE OF ILLINOIS
ILLINOIS STATE POLICE - DISTRICT 15**

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022**

AUTHORITY OFFICIALS

Executive Director (08/06/2022 – Present)	Ms. Cassaundra Rouse
Interim Executive Director (04/01/2022 – 08/05/2022)	Ms. Lanyea Griffin
Executive Director (03/16/2022 – 03/31/2022)	Vacant
Executive Director (07/01/2021 – 03/15/2022)	Mr. Jose Alvarez
Chief Financial Officer	Ms. Cathy R. Williams
General Counsel	Ms. Kathleen Pasulka-Brown
Chief Operations Officer (11/16/2022 – Present)	Mr. Jeffrey Donoghue
Chief Operations Officer (08/06/2022 – 11/15/2022)	Vacant
Chief Operations Officer (07/22/2021 – 08/05/2022)	Ms. Cassaundra Rouse
Chief Operations Officer (07/01/2021 – 07/21/2021)	Vacant
Controller	Ms. Patricia Pearn

TOLL HIGHWAY AUTHORITY BOARD OFFICERS

Chair (02/17/2023 – Present)	Mr. Arnaldo Rivera
Chair (02/01/2023 – 02/16/2023)	Vacant
Chair (02/18/2022 – 01/31/2023)	Ms. Dorothy Abreu
Chair (07/01/2021 – 02/17/2022)	Mr. William Evans Jr.
Vice Chair	Mr. James Connolly

TOLL HIGHWAY AUTHORITY BOARD MEMBERS

Member (04/01/2023 – Present)	Vacant
Member (07/01/2021 – 03/31/2023)	Ms. Alice Gallagher
Member	Ms. Jacqueline Gomez Fuentes
Member	Ms. Karen McConnaughay
Member	Mr. Scott Paddock
Member	Mr. Gary Perinar
Member	Mr. James Sweeney
Member (04/02/2022 – Present)	Vacant
Member (07/01/2021 – 04/01/2022)	Mr. Stephen Davis

**STATE OF ILLINOIS
ILLINOIS STATE POLICE - DISTRICT 15**

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022**

The Illinois State Toll Highway Authority's primary administrative offices are located at:

2700 Ogden Avenue
Downers Grove, Illinois 60515



ILLINOIS STATE POLICE
Office of the Director

JB Pritzker
Governor

Brendan F. Kelly
Director

MANAGEMENT ASSERTION LETTER

April 4, 2023

Sikich LLP
3051 Hollis Drive, 3rd Floor
Springfield, IL 62704

Ladies and Gentlemen:

The State of Illinois, Illinois State Police (Department) and the Illinois State Toll Highway Authority (Authority), a component unit of the State of Illinois, have shared responsibilities for processing the payroll of sworn officers assigned to the Department's District 15, which is responsible for patrolling the Authority's roadways and facilities. The Department and the Authority are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations, and the intergovernmental agreement between the Department and the Authority outlining the duties, roles, functions, and responsibilities of the parties as allowed for by the Illinois State Police Act (20 ILCS 2610/20), applicable to identifying and enrolling eligible sworn officers of District 15 within the State Employees' Retirement System (System). The Authority is responsible for processing and paying the payroll for the Department and, therefore, is responsible for reporting the Department's significant elements of census data and authorizing the Comptroller to pay the related employer contributions to the System. We are responsible for, and we have established and maintained an effective system of internal controls over the specified requirements. We have jointly performed an evaluation of our compliance based on the delineated responsibilities of the Department and the Authority with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Department and the Authority have materially complied with the specified requirements listed below.

- A. All of the Department's sworn officers assigned to District 15 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, 2022. The enrollment of these sworn officers within the System occurred through payroll transactions which were processed by the Authority using information provided by the Department.

B. The changes in significant elements of census data for District 15’s sworn officers required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2022, were completely and accurately reported by the Department through the Authority’s payroll transactions 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 Authority for the Department’s sworn officers assigned to District 15 to the System during the proportionate share allocation year ended June 30, 2022, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Illinois State Police

Illinois State Toll Highway Authority

SIGNED ORIGINAL ON FILE

SIGNED ORIGINAL ON FILE

Brendan Kelly, Director

Cassandra Rouse, Executive Director

SIGNED ORIGINAL ON FILE

SIGNED ORIGINAL ON FILE

Benjamin Dieterich, Chief Financial Officer

Cathy R. Williams, Chief Financial Officer

SIGNED ORIGINAL ON FILE

SIGNED ORIGINAL ON FILE

Kelly Griffith, Chief Legal Counsel

Kathleen Pasulka-Brown, General Counsel

**STATE OF ILLINOIS
ILLINOIS STATE POLICE - DISTRICT 15**

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022**

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

* The first compliance examination over census data of the Illinois State Police and the Illinois State Toll Highway Authority was for the year ended June 30, 2021.

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				
2022-001	47	New	Inaccurate Census Data	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS
ILLINOIS STATE POLICE - DISTRICT 15**

**THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2022**

EXIT CONFERENCE

The Department waived an exit conference in a correspondence from Benjamin Dieterich, Chief Financial Officer, on March 22, 2023.



3051 Hollis Drive, 3rd Floor
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

Board of Directors
Illinois State Toll Highway Authority

Ms. Cassandra Rouse
Interim Executive Director
Illinois State Toll Highway Authority

Mr. Brendan Kelly
Director
State of Illinois, Illinois State Police

External Auditors
Illinois State Toll Highway Authority

External Auditors
State of Illinois, Illinois State Police

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, Illinois State Police (Department) and the Illinois State Toll Highway Authority (Authority), a component unit of the State of Illinois, 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:

- 1) the census data accumulation year for the System ended June 30, 2022; and
- 2) the proportionate share allocation year for the System ended June 30, 2022.

Management of the Department and Authority is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department and Authority's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. All of the Department's sworn officers assigned to District 15 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, 2022. The enrollment of these sworn officers within the System occurred through payroll transactions which were processed by the Authority using information provided by the Department.
- 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, 2022, were completely and accurately reported by the Authority 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 Authority for the Department's sworn officers assigned to District 15 to the System during the proportionate share allocation year ended June 30, 2022, 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 and Authority complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department and Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 and Authority's compliance with the specified requirements.

In our opinion, the Department and Authority complied, in all material respects, with the specified requirements during:

- 1) the census data accumulation year for the System ended June 30, 2022; and
- 2) the proportionate share allocation year for the System ended June 30, 2022.

However, the results of our procedures disclosed an instance of noncompliance with the specified requirements, which is required to be reported in accordance with criteria established by the *Audit Guide* and is described in the accompanying Schedule of Findings as item 2022-001.

The Department and Authority's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The Department and Authority'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 and Authority 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 and Authority's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department and Authority's compliance with the specified requirements and to test and report on the Department and Authority's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department and Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department and Authority'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 2022-001, that we consider to be a significant deficiency.

The Department and Authority's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The Department and Authority'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
April 4, 2023

STATE OF ILLINOIS
ILLINOIS STATE POLICE - DISTRICT 15

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
A Component Unit of the State of Illinois

COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2022

2022-001 **FINDING** (Inaccurate Census Data)

The Illinois State Police (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 employer's 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 State of Illinois, Department of Central Management Services (CMS) 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 forwards testing we noted one of 20 (5%) employees had a salary that differed by \$303 between Department and SERS records.

The independent actuaries utilized by SERS and the State of Illinois for the pension and OPEB plans deemed the error immaterial to the plan level valuations as a whole.

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.

STATE OF ILLINOIS
ILLINOIS STATE POLICE - DISTRICT 15

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
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COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2022

2022-001 **FINDING** (Inaccurate Census Data) (Continued)

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 and Illinois State Toll Highway Authority (Authority) management stated the noted exception was due to a timing issue between the individual's salary change at Fiscal Year end and when it was reflected in the census data sent by the Authority to the actuaries.

Failure to ensure census data reported to SERS was complete and accurate may result in a material misstatement of the Authority'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. (Finding Code No. 2022-001)

RECOMMENDATION

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

DEPARTMENT RESPONSE

The Department agrees with the auditors' recommendation. The Department is investigating how this error occurred to ensure it does not occur going forward.