



STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

**COMPLIANCE EXAMINATIONS OF GROUP INSURANCE
CENSUS DATA**

For the Year Ended June 30, 2023

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



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**STATE EMPLOYEES' GROUP INSURANCE PROGRAM, OTHER
POST-EMPLOYMENT BENEFITS PLAN**

**COMPLIANCE EXAMINATIONS OF GROUP INSURANCE CENSUS DATA
For the Year Ended June 30, 2023**

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DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

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

**COMPLIANCE EXAMINATION OF GROUP INSURANCE CENSUS DATA
For the Year Ended June 30, 2023**

DEPARTMENT OFFICIALS

Director (03/07/24 – Present)	Ms. Raven DeVaughn
Director (Acting) (01/21/23 – 03/06/24)	Ms. Raven DeVaughn
Director (Acting) (07/01/22 – 01/20/23)	Mr. Anthony Pascente
Assistant Director (05/24/24 – Present)	Mr. Aundra Williams
Assistant Director (Acting) (06/16/23 – 05/23/24)	Mr. Aundra Williams
Assistant Director (05/06/23 – 06/15/23)	Vacant
Assistant Director (07/01/22 – 05/05/22)	Mr. Mark Mahoney
Assistant Director (01/21/23 – Present)	Vacant
Assistant Director (Acting) (07/01/22 – 01/20/23)	Ms. Raven DeVaughn
Chief of Staff (02/16/23 – Present)	Mr. Patrick Nolan
Chief of Staff (07/01/22 – 02/15/23)	Vacant
Chief Administrative Officer	Ms. Sarah Kerley
Chief Operating Officer (Acting) (07/10/23 – Present)	Mr. William McCarty
Chief Operating Officer (Acting) (04/16/23 – 07/09/23)	Mr. Sean Neuert
Chief Operating Officer (01/21/23 – 04/15/23)	Vacant
Chief Operating Officer (07/01/22 – 01/20/23)	Ms. Aysegul Kalaycioglu
Chief Fiscal Officer	Ms. Karen Pape
General Counsel (12/01/23– Present)	Ms. CoreyAnne Gulkewicz
General Counsel (Acting) (05/16/23 – 11/30/23)	Ms. CoreyAnne Gulkewicz
General Counsel (07/01/22 – 05/15/23)	Mr. Terrence Glavin
Chief Internal Auditor (10/16/23 – Present)	Mr. Butch Stilwell
Chief Internal Auditor (Acting) (06/16/23 – 10/15/23)	Ms. Dawn Meier
Chief Internal Auditor (Acting) (05/16/23 – 06/15/23)	Mr. Jack Rakers
Chief Internal Auditor (07/01/22 – 05/15/23)	Mr. Jack Rakers

DEPARTMENT OFFICES

The Department of Central Management's 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

February 24, 2025

Sikich CPA, LLC
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 contributions through the State Employees' Retirement System (System) to the State Employees' Group Insurance Program, Other Post-Employment Benefits Plan (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). 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, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the Plan occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the Department to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender; and
 - rate of pay.

- C. The employer group insurance contributions for funds other than the General Revenue Fund, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the Department for the Plan to CMS during the allocation year ended June 30, 2024, 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 were complete, accurate, and in accordance with applicable laws, rules, and regulations. Employer group insurance contributions (for funds other than the General Revenue Fund) and General Revenue Fund payroll under detail object code 1120 are the basis for determining the Department's proportionate share of the OPEB liability, deferred inflows of resources, deferred outflows of resources and OPEB expense.

State of Illinois, Department of Central Management Services

SIGNED ORIGINAL ON FILE

Raven DeVaughn, Director

SIGNED ORIGINAL ON FILE

Karen Pape, Chief Financial Officer

SIGNED ORIGINAL ON FILE

CoreyAnne Gulkewicz, General Counsel

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

**COMPLIANCE EXAMINATION OF GROUP INSURANCE CENSUS DATA
For the Year Ended June 30, 2023**

EXAMINATION REPORT

SUMMARY

The compliance testing of census data and employer contributions for the State Employees' Group Insurance Program, Other Post-Employment Benefits Plan 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, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	0	1
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	1	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
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Prior Findings Not Repeated

A	9	2022/2022	Failure to Pay Correct Employer Group Insurance Contributions	
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EXIT CONFERENCE

The Illinois Department of Central Management Services waived an exit conference in a correspondence from Amy Lange, External Audit Coordinator, on January 27, 2025.

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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
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 Special Assistant Auditors for the Auditor General, 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 State Employees' Group Insurance Program, Other Post-Employment Benefits Plan (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2023; and
- 2) the proportionate share allocation year for the Plan ended June 30, 2024.

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 State Employees' Retirement System (System) in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the Plan occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the Department to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay.
- C. The employer group insurance contributions for funds other than the General Revenue Fund, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the Department for the Plan to CMS during the allocation year ended June 30, 2024, 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 were complete, accurate, and in accordance with applicable laws, rules, and regulations. Employer group insurance contributions (for funds other than the General Revenue Fund) and General Revenue Fund payroll under detail object code 1120 are the basis for determining the Department's proportionate share of the OPEB liability, deferred inflows of resources, deferred outflows of resources and OPEB expense.

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 Plan administered by CMS ended June 30, 2023, and,
- 2) the proportionate share allocation year for the Plan ended June 30, 2024.

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
February 24, 2025

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
SCHEDULE OF FINDINGS – NOT REPEATED FINDINGS
For the Year Ended June 30, 2023

A. **FINDING** (Failure to Pay Correct Employer Group Insurance Contributions)

During the prior examination, we noted the Department of Central Management Services (Department) had nine employees enrolled in the Consumer Driven Health Plan (CDHP). During testing, we noted for all nine employees (100%) enrolled in the CDHP, the Department was charged and paid the incorrect employer group insurance contribution rates, resulting in overpayments totaling \$59,644. The Department failed to verify the employer group insurance contribution rates paid agreed to Department published rates.

During the current examination, we did not note any instances in which this issue was noted. (Finding Code No. 2022-001)

DEPARTMENT OF TRANSPORTATION

**STATE OF ILLINOIS
DEPARTMENT OF TRANSPORTATION**

**COMPLIANCE EXAMINATION OF GROUP INSURANCE CENSUS DATA
For the Year Ended June 30, 2023**

DEPARTMENT OFFICIALS

Secretary (Acting) (01/13/25 – Present)	Ms. Gia Biagi
Secretary (Interim) (01/01/25 – 01/12/25)	Mr. Terrence Glavin
Secretary (07/01/22 – 12/31/24)	Mr. Omer Osman
Assistant Secretary	Vacant
Chief of Staff (06/01/24 – Present)	Mr. Art Moore
Chief of Staff (06/01/23 – 05/31/24)	Vacant
Chief of Staff (07/01/22 – 05/31/23)	Ms. Georgina (Syas) White
Deputy Chief of Staff	Vacant
Chief Operating Officer (09/01/23 – Present)	Mr. John Donovan
Chief Operating Officer (07/01/22 – 08/31/23)	Vacant
Chief Fiscal Officer	Ms. Vicki Wilson
Director, Office of Communications	Mr. Guy Tridgell
Director, Office of Legislative Affairs (08/16/23 – Present)	Mr. Aaron Gold-Stein
Director, Office of Legislative Affairs (07/01/23 – 08/15/23)	Vacant
Director, Office of Legislative Affairs (07/01/22 – 06/30/23)	Mr. Matthew McAnarney
Director, Office of Finance and Administration	Ms. Vicki Wilson
Deputy Director, Office of Finance and Administration	Mr. Matt Magalis
Director, Office of Business and Workforce Diversity (09/18/23 – Present)	Ms. Brandy Phillips
Director, Office of Business and Workforce Diversity (10/01/22 – 09/17/23)	Vacant
Director, Office of Business and Workforce Diversity (07/01/22 – 09/30/22)	Mr. Jonathan McGee
Deputy Director, Office of Business and Workforce Diversity (10/01/24 – Present)	Mr. Brian Hendricks
Deputy Director, Office of Business and Workforce Diversity (07/01/23 – 09/30/24)	Vacant

**STATE OF ILLINOIS
DEPARTMENT OF TRANSPORTATION**

**COMPLIANCE EXAMINATION OF GROUP INSURANCE CENSUS DATA
For the Year Ended June 30, 2023**

DEPARTMENT OFFICIALS – Continued

Director/Chief Legal Counsel, Office of Chief Counsel (05/01/24 – Present)	Mr. Michael Prater
Director/Chief Legal Counsel, Office of Chief Counsel (Acting) (06/28/23 – 04/30/24)	Mr. Michael Prater
Director/Chief Legal Counsel, Office of Chief Counsel (06/16/23 – 06/27/23)	Vacant
Director/Chief Legal Counsel, Office of Chief Counsel (07/01/22 – 06/15/23)	Ms. Yangsu Kim
Director/Chief Internal Auditor, Office of Internal Audit	Mr. Stephen Kirk
Deputy Secretary of Communications and Legislative Affairs (04/24/23 – Present)	Mr. Jeremy LaMarche
Deputy Secretary of Communications and Legislative Affairs (03/01/23 – 04/23/23)	Vacant
Deputy Secretary of Communications and Legislative Affairs (07/01/22 – 02/28/23)	Ms. Becky Locker
Deputy Secretary of Administration, Diversity and Legal Affairs (05/16/23 – Present)	Mr. Terrence Glavin
Deputy Secretary of Administration, Diversity and Legal Affairs (01/01/23 – 05/15/23)	Vacant
Deputy Secretary of Administration, Diversity and Legal Affairs (07/01/22 – 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	Ms. Elizabeth Irvin
Director, Office of Highways Project Implementation (12/16/24 – Present)	Ms. Lora Rensing
Director, Office of Highways Project Implementation (08/01/24 – 12/15/24)	Vacant
Director, Office of Highways Project Implementation (07/01/22 – 07/31/24)	Mr. Stephen Travia
Deputy Director, Office of Highways Project Implementation	Mr. Justan Mann

**STATE OF ILLINOIS
DEPARTMENT OF TRANSPORTATION**

**COMPLIANCE EXAMINATION OF GROUP INSURANCE CENSUS DATA
For the Year Ended June 30, 2023**

DEPARTMENT OFFICIALS – Continued

Director, Office of Intermodal Project Implementation	Mr. Jason Osborn
Deputy Director, Rail, Office of Intermodal Project Implementation (12/09/24 – Present)	Ms. Carrie Cooper
Deputy Director, Rail, Office of Intermodal Project Implementation (01/01/24 – 12/08/24)	Vacant
Deputy Director, Rail, Office of Intermodal Project Implementation (07/01/22 – 12/31/23)	Mr. John Oimoen
Deputy Director, Transit, Office of Intermodal Project Implementation	Ms. Ashounta Reese
Deputy Director, Aeronautics, Office of Intermodal Project Implementation	Mr. Clayton Stambaugh

DEPARTMENT OFFICES

The Department of Transportation'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

February 13, 2025

Sikich CPA, LLC
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 contributions through the State Employees' Retirement System (System) to the State Employees' Group Insurance Program, Other Post-Employment Benefits Plan (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). 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, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the Plan occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the Department to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender; and,
 - rate of pay.



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois 62764

- C. The employer group insurance contributions (for funds other than the General Revenue Fund), which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the Department for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Employer group insurance contributions (for funds other than the General Revenue Fund) are the basis for determining the Department's proportionate share of the OPEB liability, deferred inflows of resources, deferred outflows of resources and OPEB expense.

Yours truly,

State of Illinois, Department of Transportation

SIGNED ORIGINAL ON FILE

Gia Biagi, Acting Secretary

SIGNED ORIGINAL ON FILE

Vicki Wilson, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Michael Prater, Director/Chief Legal Counsel

**STATE OF ILLINOIS
DEPARTMENT OF TRANSPORTATION**

**COMPLIANCE EXAMINATION OF GROUP INSURANCE CENSUS DATA
For the Year Ended June 30, 2023**

EXAMINATION REPORT

SUMMARY

The compliance testing of census data and employer contributions for the State Employees' Group Insurance Program, Other Post-Employment Benefits Plan 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, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

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

EXIT CONFERENCE

The Illinois Department of Transportation waived an exit conference in a correspondence from Kayla Routh, External Audit Coordinator, on January 27, 2025.

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. Terrance Glavin
Interim 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 Special Assistant Auditors for the Auditor General, 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 State Employees' Group Insurance Program, Other Post-Employment Benefits Plan (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2023; and
- 2) the proportionate share allocation year for the Plan ended June 30, 2024.

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 State Employees' Retirement System (System) in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the Plan occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the Department to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender; and,
 - rate of pay.
- C. The employer group insurance contributions (for funds other than the General Revenue Fund), which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the Department for the Plan to CMS during the allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Employer group insurance contributions (for funds other than the General Revenue Fund) are the basis for determining the Department's proportionate share of the OPEB liability, deferred inflows of resources, deferred outflows of resources and OPEB expense.

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 Plan administered by CMS ended June 30, 2023, and,
- 2) the proportionate share allocation year for the Plan ended June 30, 2024.

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
February 13, 2025

DEPARTMENT OF INNOVATION AND TECHNOLOGY

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

**COMPLIANCE EXAMINATION OF GROUP INSURANCE CENSUS DATA
For the Year Ended June 30, 2023**

DEPARTMENT OFFICIALS

Secretary (05/24/24 – Present)	Mr. Sanjay Gupta
Secretary (Acting) (06/01/23 – 05/23/24)	Mr. Sanjay Gupta
Secretary (Acting) (01/09/23 – 05/31/23)	Mr. Brandon Ragle
Secretary (07/01/22 – 01/08/23)	Ms. Jennifer Ricker
Deputy Secretary (05/24/24 – Present)	Mr. Brandon Ragle
Deputy Secretary (Acting) (06/07/23 – 05/23/24)*	Mr. Brandon Ragle
Assistant Secretary (06/07/23 – Present)	Vacant
Assistant Secretary (Acting) (06/01/23 – 06/06/23)	Mr. Brandon Ragle
Assistant Secretary (01/09/23 – 05/31/23)	Vacant
Assistant Secretary (Acting) (07/08/22 – 01/08/23)	Mr. Brandon Ragle
Assistant Secretary (07/01/22 – 07/07/22)	Vacant
Chief Administrative Officer (01/01/23 – Present)	Mr. Albert Coll
Chief Administrative Officer (11/01/22 – 12/31/22)	Vacant
Chief Administrative Officer (07/01/22 – 10/31/22)	Ms. Nina Harris
Chief of Staff	Ms. Jenifer Johnson
Chief Fiscal Officer (09/15/22 – Present)	Ms. Mary Feagans
Chief Fiscal Officer (07/01/22 – 09/14/22)	Vacant
General Counsel (12/01/23 – Present)	Ms. Radhika Lakhani
General Counsel (01/01/23 – 11/30/23)	Ms. Margaret Van Dijk
General Counsel (Acting) (12/29/22 – 12/31/22)	Ms. Jenifer Johnson
General Counsel (Acting) (11/01/22 – 12/28/22)	Ms. Kristen Sweat
General Counsel (07/01/22 – 10/31/22)	Mr. Matthew Runyen
Chief Internal Auditor	Mr. John Valtierra

*Deputy Secretary position was established per PA 103-0008 and was not considered vacant prior to this date.

DEPARTMENT OFFICE

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

120 West Jefferson Street
Springfield, Illinois 62702

MANAGEMENT ASSERTION LETTER

February 20, 2025

Sikich CPA, LLC
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 contributions through the State Employees' Retirement System (System) to the State Employees' Group Insurance Program, Other Post-Employment Benefits Plan (Plan) administered by the State of Illinois, Department of Central Management Services (CMS). 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, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the Plan occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the Department to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender; and,
 - rate of pay.
- C. The employer group insurance contributions for funds other than the General Revenue Fund, which includes contributions for both current employees and an additional amount to cover retiree benefits under a pay as you go methodology, remitted by the Department for the Plan to CMS during the allocation year ended June 30, 2024, 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 were complete, accurate, and in accordance with applicable laws, rules, and regulations. Employer group insurance contributions (for funds other than the General Revenue Fund) and General Revenue Fund payroll under detail object code 1120 are the basis for determining the Department's proportionate share of the OPEB liability, deferred inflows of resources, deferred outflows of resources and OPEB expense.

Yours truly,

State of Illinois, Department of Innovation and Technology

SIGNED ORIGINAL ON FILE

Sanjay Gupta, Secretary

SIGNED ORIGINAL ON FILE

Mary Beagans, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Radhika Lakhani, General Counsel

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

**COMPLIANCE EXAMINATION OF GROUP INSURANCE CENSUS DATA
For the Year Ended June 30, 2023**

EXAMINATION REPORT

SUMMARY

The compliance testing of census data and employer contributions for the State Employees' Group Insurance Program, Other Post-Employment Benefits Plan 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, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	0	1
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	1	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
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Prior Findings Not Repeated

A	26	2022/2022	Failure to Pay Correct Employer Group Insurance Contributions	
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EXIT CONFERENCE

The Illinois Department of Innovation and Technology waived an exit conference in a correspondence from Kelly Guerrero, External Audit Coordinator, on January 30, 2025.

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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. Sanjay Gupta
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 Special Assistant Auditors for the Auditor General, 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 State Employees' Group Insurance Program, Other Post-Employment Benefits Plan (Plan) administered by the State of Illinois, Department of Central Management Services (CMS) ended June 30, 2023; and
- 2) the proportionate share allocation year for the Plan ended June 30, 2024.

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 State Employees' Retirement System (System) in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2023.
- B. The changes in significant elements of census data for employees required to be enrolled in the Plan occurring during the census data accumulation year ended June 30, 2023, were completely and accurately reported by the Department to CMS through the System. The significant elements of census data of the Plan include each member's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay.
- C. General Revenue Fund payroll paid by the Department and recorded within the Statewide Accounting Management System under detail object code 1120 were complete, accurate, and in accordance with applicable laws, rules, and regulations. Employer group insurance contributions (for funds other than the General Revenue Fund) and General Revenue Fund payroll under detail object code 1120 are the basis for determining the Department's proportionate share of the OPEB liability, deferred inflows of resources, deferred outflows of resources and OPEB expense.

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 Plan administered by CMS ended June 30, 2023, and,
- 2) the proportionate share allocation year for the Plan ended June 30, 2024.

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
February 20 2025

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
SCHEDULE OF FINDINGS – NOT REPEATED FINDINGS
For the Year Ended June 30, 2023

A. **FINDING** (Failure to Pay Correct Employer Group Insurance Contributions)

During the prior examination, we noted the Department of Innovation and Technology (Department) had fourteen employees enrolled in the Consumer Driven Health Plan (CDHP). During testing, we noted for all fourteen employees (100%) enrolled in the CDHP, the Department was charged and paid the incorrect employer group insurance contribution rates, resulting in overpayments totaling \$64,494. The Department failed to verify the employer group insurance contribution rates paid agreed to Department of Central Management Services (CMS) published rates.

During the current examination, we did not note any instances in which this issue was noted.
(Finding Code No. 2022-001)