

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

INADEQUATE CONTROLS OVER PERSONAL SERVICES

The Supreme Court Historic Preservation Commission (Commission) did not maintain adequate controls over personal services.

Differences noted between list of employees and payroll records

During the testing of employees, auditors requested the Commission provide a list of individuals employed by the Commission during the examination period. When comparing the list provided to payroll records, we noted individuals on the payroll voucher that were not included on the list of employees provided by the Commission.

Due to this condition, we were unable to conclude whether the Commission's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C 205.36) to test the Commission's compliance with employee laws, rules, and regulations.

Even given the population limitations noted above which hindered our ability to conclude whether selected samples were representative of the population as a whole, we selected a sample of 3 employees and noted the following:

- The Commission did not maintain adequate control or have formal policies in place over personnel records and payroll to minimize the risk of payroll errors through miscommunication and/or lack of documentation, as described below:
 - Two (67%) employees tested did not have a designated personnel file. Commission officials stated the files were not maintained since the employees were not full time employees. As a result, auditors were unable to perform detail testing for payroll and salary adjustments.
 - For one (33%) employee tested, the Commission maintained a personnel file; however, the personnel file did not include adequate documentation regarding salary. Specifically, the file lacked documentation for salary adjustments as well as lacked several required documents needed to perform testing related to gross pay, pension contributions, pay grades, or pay steps.

A designated personnel file was not maintained

Personnel file did not include sufficient documentation regarding salary

Part-time employees were not awarded time off earned

- For two (67%) employees tested, the Commission did not award part-time employees earned personal, sick, or vacation time.

Status of Deferred Compensation Plan enrollment was not provided

- For one (33%) employee tested, the Commission was unable to provide supporting documentation for the Deferred Compensation Plan enrollment status. As a result, we were unable to determine if the employee was automatically enrolled in the State Employees Deferred Compensation Plan on the first day of the next pay period following the employee's 30th day of employment and/or if the employee elected within 90 days of enrollment to opt-out of the State Employees Deferred Compensation Plan and received a refund of any deferred amounts made prior to the election.

Form I-9 was not completed timely

- Two (67%) employees did not complete an Employment Eligibility Verification Form (Form I-9) at the start of their employment as required. One Form I-9 was completed 294 days after the employee's start date while the other had not been completed at the end of our examination period, which was 851 days after the employee's start date.

- While performing recalculations of payroll, we noted several errors. Because of the number of exceptions noted, we expanded testing to include all nine employees. During the expanded testing, we noted the following:

Employees misclassified in Central Payroll System

- For three of nine (33%) employees tested, the Commission inappropriately classified employees as completing pre 2020 forms in the Central Payroll System. We verified the three employees had completed a post 2020 form. As a result, we were unable to recalculate the employee's Federal withholding.

Payroll deductions were incorrectly computed

- For five of nine (56%) employees tested, the Commission did not compute employee payroll deductions correctly based on employee payroll documentation. We noted errors in the amount withheld for taxable life, health insurance, and State and Federal Taxes.

Federal W-4 was not maintained

- For one of nine (11%) employees tested, the Commission did not maintain the Federal W-4 Employee's Withholding Certificate form on

file to support the withholding taxes during the period.

Supporting documentation for Agency Workforce Reports was not maintained

- The Commission did not maintain supporting documentation for reported employees and their salaries for its Fiscal Year 2022 and 2023 Agency Workforce Reports. As a result, we were unable to determine if the reports filed were complete and accurate. (Finding 1, Pages 9-13)

We recommended the Commission strengthen its internal controls over personal services to ensure proper documentation and personnel files are maintained correctly and reports are accurately filed.

Commission accepted the recommendation

The Commission accepted the recommendation and reported since being alerted of these issues, the Commission has created files on part-time employees with proper documentation and began providing leave time to part-time employees. The Commission also indicated they will review all personnel files for further compliance.

OTHER FINDINGS

The remaining finding pertains to weaknesses in the Commission's Cybersecurity and the Security and Control of Confidential Information. We will review the Commission's progress towards the implementation of our recommendations in our next State compliance examination.

ACCOUNTANT'S OPINION

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

This State compliance examination was conducted by the Office of the Auditor General's staff.

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COURTNEY DZIERWA
Division Director

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

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FRANK J. MAUTINO
Auditor General

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