



STATE OF ILLINOIS  
**OFFICE OF THE  
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**OFFICE OF THE TREASURER –  
 ILLINOIS SECURE CHOICE SAVINGS PROGRAM**

**Financial Audit  
 For the Year Ended June 30, 2020**

**Release Date: February 17, 2021**

FINDINGS THIS AUDIT: 1				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
<b>Category 1:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>No Repeat Findings</b>			
<b>Category 2:</b>	<b>1</b>	<b>0</b>	<b>1</b>				
<b>Category 3:</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>1</b>				
<b>FINDINGS LAST AUDIT: 1</b>							

**SYNOPSIS**

- (20-01) The Office does not have adequate internal controls over the Secure Choice Program financial statement preparation and review process.

**Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

**Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

**Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**OFFICE OF THE TREASURER - ILLINOIS SECURE CHOICE SAVINGS PROGRAM**  
**FINANCIAL AUDIT**  
**For the Year Ended June 30, 2020**

<b>STATEMENTS OF FIDUCIARY NET POSITION</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash and Cash Equivalents.....	\$ 1,149,871	\$ 413,703
Receivable for Investments Sold.....	-	1,515
Accrued Dividends Receivable.....	8,199	-
Administration Fee Receivable.....	898	-
Investments.....	25,608,316	2,778,829
<b>Total Assets.....</b>	<b>26,767,284</b>	<b>3,194,047</b>
<b>Liabilities</b>		
Withdrawals Payable.....	126,967	24,765
Payable for Investments Purchased.....	156,773	22,534
Accrued Program Management Fees.....	13,605	1,505
Seed Money Payable.....	-	10,445
<b>Total Liabilities .....</b>	<b>297,345</b>	<b>59,249</b>
Net Position Held in Trust for Participants.....	<b>\$ 26,469,939</b>	<b>\$ 3,134,798</b>
<b>STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION</b>	<b>2020</b>	<b>2019</b>
<b>Investment Income (Expense)</b>		
Dividend Income.....	\$ 400,858	\$ 35,992
Net Change in Fair Value of Investments.....	427,715	77,486
Administrative Fees.....	(79,597)	(5,956)
Seed Money Net Investment Income Distribution.....	(330)	(4,595)
<b>Total Additions.....</b>	<b>748,646</b>	<b>102,927</b>
<b>Other Participant Transactions:</b>		
Program Contributions.....	25,568,231	3,303,533
Program Withdrawals.....	2,981,736	(271,662)
<b>Total Increase from Participant Transactions.....</b>	<b>22,586,495</b>	<b>3,031,871</b>
Change in Net Position.....	23,335,141	3,134,798
Net Position, Beginning of Year.....	3,134,798	-
Net Position, End of Year.....	<b>\$ 26,469,939</b>	<b>\$ 3,134,798</b>
<b>SELECTED ACTIVITY MEASURES (Unaudited)</b>	<b>2020</b>	<b>2019</b>
Total Number of Accounts.....	65,933	13,281
Market Value.....	\$ 26,469,939	\$ 3,134,798
<b>TREASURER</b>		
During Engagement Period: Honorable Michael Frerichs		
Currently: Honorable Michael Frerichs		

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE INTERNAL CONTROLS RELATED TO  
PREPARATION AND REVIEW OF FINANCIAL  
STATEMENTS**

The Office does not have adequate internal controls over the Secure Choice Program financial statement preparation and review process.

**The Office was unable to provide documentation that due diligence procedures were performed on support provided by the Program Manager**

During testing of the Office’s Secure Choice financial statements, the Office was unable to provide adequate documentation the Office performed due diligence procedures on the support provided by the Secure Choice Program Manager utilized in the preparation of the financial statements, notes to the financial statements, and supplementary information. The Office utilized Excel spreadsheets prepared by the Program Manager to develop the financial reporting package, but did not perform procedures to verify the spreadsheets agreed to the underlying support. In addition, the underlying support included manual journal entries made by the Program Manager that were not verified by the Office. (Finding 1, page 44)

We recommended the Office improve controls over the financial statement process, specifically:

- Perform and document due diligence procedures to verify the accuracy of underlying financial reporting support provided by the Program Manager.
- Properly document financial reporting adjustments.

**The Office accepts the finding**

The Office accepted the finding and stated the Office will examine the review and documentation procedures of Program Manager support used in preparation of the financial statements for improvement.

**AUDITOR’S OPINION**

The auditors stated the financial statements of the Office of the Treasurer, Illinois Secure Choice Savings Program as of and for the year ended June 30, 2020 are fairly stated in all material respects.

This financial audit was conducted by Crowe LLP.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

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

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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