

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021**

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



**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021**

TABLE OF CONTENTS

<i>State Compliance Examination Report</i>	<u>Page</u>
Office Officials.....	1
Management Assertion Letter.....	2-3
State Compliance Report	
Summary.....	4-6
Independent Accountant's Report on State Compliance and on Internal Control over Compliance.....	7-9
Schedule of Findings	
Current Findings.....	10-42
Prior Finding Not Reported.....	43
 <i>Disclosures Accompanying a State Compliance Examination Report</i>	 <u>Page</u>
Summary.....	44
Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report.....	45-46
Fiscal Schedules and Analysis:	
Schedule of Appropriations, Expenditures, and Lapsed Balances:	
Fiscal Year 2021.....	47
Fiscal Year 2020.....	48
Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances.....	49-50
Comparative Schedule of Net Expenditures by Major Activity.....	51
Analysis of Significant Variations in Expenditures.....	52
Analysis of Significant Lapse Period Spending.....	53
Comparative Schedule of Cash Receipts and Deposits into the State Treasury.....	54-55
Analysis of Significant Variations in Receipts.....	56
Schedule of Changes in Property.....	57-58
Analysis of Operations:	
Functions and Planning.....	59-63
Number of Employees.....	64
Analysis of Overtime and Compensatory Time.....	65

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021**

OFFICE OFFICIALS

Governor	Honorable J.B. Pritzker
Chief of Staff	Ms. Anne Caprara
Deputy Governors	Ms. Sol Flores Mr. Andrew Manar (08/25/2021 - Present) Mr. Dan Hynes (07/01/2019 - 08/25/2021) Mr. Christian Mitchell Mr. Martin Torres (10/18/2021 - Present) Vacant (08/24/2021 - 10/17/2021) Mr. Jesse Ruiz (07/01/2019 - 08/23/2021)
Chief Operating Officer	Mr. Kenneth Steele (09/01/2021 - Present) Vacant (08/07/2021 - 08/31/2021) Ms. Jasmine Hooks 07/15/2019 - 08/06/2021) Vacant (07/01/2019 - 07/14/2019)
General Counsel	Ms. Ann Spillane
Director of Operations	Ms. Sydney Ellison (08/01/2021 - Present) Vacant (07/15/2019 - 08/01/2021) Ms. Jasmine Hooks (07/01/2019 - 07/14/2019)
Director of Fiscal Operations	Mr. Eric Bolinger (05/03/2021 - Present) Vacant (04/16/2021 - 05/02/2021) Ms. Nicole Hildebrand (10/16/2019 - 04/15/2021) Ms. Julie Love (07/01/2018 - 10/15/2019)

AGENCY OFFICES

The Office's primary administrative offices are located at:

Illinois State Capitol
207 State House
Springfield, Illinois 62706

James R. Thompson Center
100 W. Randolph Street, Suite 16-100
Chicago, IL 60601



OFFICE OF THE GOVERNOR

207 STATE HOUSE
SPRINGFIELD, ILLINOIS 62706

JB PRITZKER
GOVERNOR

MANAGEMENT ASSERTION LETTER

February 14, 2022

West & Company, LLC
Certified Public Accountants
919 E. Harris Avenue

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Office of the Governor (Office). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Office's compliance with the following specified requirements during the two-year period ended June 30, 2021. Based on this evaluation, we assert that during the years ended June 30, 2020, and June 30, 2021, the Office has materially complied with the specified requirements listed below.

- A. Other than what has been previously disclosed and reported in the Schedule of Findings, the Office has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. Other than what has been previously disclosed and reported in the Schedule of Findings, the Office has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. Other than what has been previously disclosed and reported in the Schedule of Findings, the Office has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. Other than what has been previously disclosed and reported in the Schedule of Findings, State revenues and receipts collected by the Office are in accordance with

applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law. Include this paragraph only if applicable during the examination period.

- E. Other than what has been previously disclosed and reported in the Schedule of Findings, money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law. Include this paragraph only if applicable during the examination period.

Yours truly,

State of Illinois, Office of the Governor

SIGNATURE REDACTED

Honorable J.B. Pritzker

SIGNATURE REDACTED

Eric Bolinger, Director of Fiscal Operations

SIGNATURE REDACTED

Ann Spillane, General Counsel

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021**

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide.

ACCOUNTANT'S REPORT

The Independent Accountant's Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain an adverse opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	11	13
Repeated Findings	10	7
Prior Recommendations Implemented or Not Repeated	3	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2021-001	10	2019/2019	Inadequate Controls Over the Illinois Mansion Property and Receipts	Material Weakness and Material Noncompliance
2021-002	13	2019/2011	Inadequate Controls Over State Property	Material Weakness and Material Noncompliance
2021-003	17	2019/2007	Appointments of Members to Boards, Commissions, Councils, and Committees	Material Weakness and Material Noncompliance
2021-004	22	2019/2007	Noncompliance with Statutorily Mandated Responsibilities	Material Weakness and Material Noncompliance
2021-005	24	2019/2017	Inadequate Controls Over Receipts Processing	Material Weakness and Material Noncompliance

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021**

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings (Continued)				
2021-006	26	2019/2019	Inadequate Controls Over Monthly Reconciliations	Material Weakness and Material Noncompliance
2021-007	28	2019/2017	Voucher Processing Weaknesses	Material Weakness and Material Noncompliance
2021-008	30	2019/2019	Failure to Maintain Proper Controls Over Personal Services Functions	Material Weakness and Material Noncompliance
2021-009	34	New	Weakness in Cybersecurity Programs and Functions	Significant Deficiency and Noncompliance
2021-010	36	2019/2019	Failure to Make Appointments to Entities Considered Non-operational and Noncompliance with Statutorily Mandated Responsibilities	Significant Deficiency and Noncompliance
2021-011	42	2019/2007	Inadequate Internal Controls Over Interagency Agreements	Significant Deficiency and Noncompliance
Prior Finding Not Repeated				
A	43	2019/2017	Inadequate Controls Over Travel Expenditures	
B	43	2019/2019	Failure to Enter Into an Intergovernmental Agreement	
C	43	2019/2019	Failure to Implement Provision of the Identity Protection Act	

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Office personnel at an exit conference on January 24, 2022.

Attending were:

Office of the Governor

Kenneth Steele, Chief Operating Officer
Sydney Ellison, Director of Operations
Eric Bolinger, Director of Fiscal Operations
Whitney Rosen, Deputy General Counsel and Ethics Officer
Stephon Bishop, Director of Human Resources
William House, Deputy Director of Human Resources
Alexis Fricke, Fiscal and Operations Manager

Office of the Auditor General

Kathy Lovejoy, Principle of IS Audits

West & Company, LLC – Special Assistant Auditors

Michael Lawler, Partner
Jacob Hill, Senior Accountant

The responses to the recommendations were provided by Eric Bolinger, Director of Fiscal Operations, in correspondence dated January 27, 2022.



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Office of the Governor (Office) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2021. Management of the Office is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Office has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Office has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Office has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Office are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

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 Office complied with the specified requirements in all material respects. An examination involves performing procedures to

obtain evidence about whether the Office 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 modified opinion.

Our examination does not provide a legal determination on the Office's compliance with the specified requirements.

Our examination disclosed material noncompliance with the specified requirements applicable to the Office during the two years ended June 30, 2021. As described in items 2021-001 through 2021-011 in the accompanying Schedule of Findings, the Office did not comply with the specified requirements. Items 2021-001 through 2021-008 are each considered to represent material noncompliance with the specified requirements. As described in the accompanying Schedule of Findings as items 2021-001 and 2021-005, the Office had not obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law. As described in the accompanying Schedule of Findings as items 2021-001, 2021-002, and 2021-005 through 2021-008, the Office had not obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use. As described in the accompanying Schedule of Findings as items 2021-001 through 2021-008, the Office had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. As described in the accompanying Schedule of Findings as items 2021-001, 2021-005, and 2021-006, the Office had not ensured the State revenues and receipts collected by the Office were in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts was fair, accurate, and in accordance with law. As described in the accompanying Schedule of Findings as items 2021-001, 2021-005, and 2021-006, money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office had not been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law. Items 2021-009 through 2021-011 individually would have been regarded as significant noncompliance with the specified requirements; however, when aggregated, we determined these items constitute material noncompliance with the specified requirements.

In our opinion, because of the significance and pervasiveness of the material noncompliance with the specified requirements described in the preceding paragraph, the Office did not comply with the specified requirements during the two years ended June 30, 2021, in all material respects.

The Office's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Office's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

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.

Report on Internal Control Over Compliance

Management of the Office 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 Office's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Office's compliance with the specified requirements and to test and report on the Office's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2021-001 through 2021-008 to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings as items 2021-009 and 2021-011 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The Office's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Office's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

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.

Greenville, Illinois
February 14, 2022

STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021

2021-001 **FINDING** (Inadequate Controls Over the Illinois Mansion Property and Receipts)

The Office of the Governor (Office) lacked adequate controls over the Illinois Governor's Mansion (Mansion) property and receipts.

During testing of the Mansion's property, we noted:

- The Mansion underwent extensive renovations, which were completed in July 2019. The renovations were contracted, overseen, and funded by the Illinois Governor's Mansion Association (Association), a not-for-profit tax exempt 501(c)(3) organization. As noted in the previous examination, the Office lacked supporting documentation on renovations recorded to fixed assets records and had not performed a reconciliation between the Association's renovation expenditures and the Office's additions recorded in the property records or reported on the Office's quarterly Agency Report of State Property (Form C-15). During the current examination period, we noted:
 - The Office recorded an adjustment, totaling \$145,881 on the June 30, 2020 quarterly Form C-15 to agree the building and building improvement balance to the amount recorded in their property records. However, the Office did not perform an analysis between the Associations expenditures and the Office's records to determine the correct value of the renovations completed in July 2019.
 - The June 30, 2021 Form C-15 balance of \$8,981 in Site Improvements was not recorded in the Office's property records.

As such, we were unable to determine the total amount of renovations completed on the Mansion, which were to be recorded in the Office's property records and on Form C-15's.

During testing of the Mansion's receipts, we noted:

- During Fiscal Years 2020 and 2021, various events were held at the Mansion which were coordinated by the Association. The Office lacked documentation of controls over the charge and collection of fees for usage of the facility in order to ensure all fees were collected for the events held.
- The Office did not maintain an itemized account of all 'Executive Mansion fees' received during Fiscal Years 2020 and 2021.
- The Office reported \$9,450 and \$800 in 'Executive Mansion fees' collected during Fiscal Years 2020 and 2021, respectively, on its Agency Fee Imposition Report (Report). However, with the lack of controls mentioned above, we were unable to determine if the fees reported were accurate and included all fees charged.

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 performed testing of the Office's property and receipts and noted these matters described in Findings 2021-002 and 2021-005.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-001 **FINDING** (Inadequate Controls Over the Illinois Mansion Property and Receipts)
(Continued)

The State Officers and Employee Money Disposition Act (30 ILCS 230/2) requires every agency maintain in proper books a detailed itemized account of all moneys received for or on behalf of the State of Illinois, showing the date of receipt, the payor, and purpose and amount, and the date and manner of disbursement. The State Records Act (5 ILCS 160/8) requires the head of each agency to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency designated to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

Furthermore, the State Comptroller Act (15 ILCS 405/16.2) and Statewide Accounting Management System (SAMS) (Procedure 33.16.20) requires the Office to submit the Agency Fee Imposition Report to the Office of the State Comptroller (Comptroller) by August 1 of each year. The fees reported should agree with Office records.

In addition, SAMS (Procedure 03.30.10) states building improvements are capital expenditures that materially extend the useful life of the building, increase the capacity and/or efficiency of the building, or adapt to a new use. Building improvements also include capital expenditures that add value, extend the useful life, or adapt a leased building to a new use. SAMS (Procedure 03.30.20) also states the valuation of building improvements includes all costs incurred to complete the improvement, including all labor, material, and professional services to construct the building together with insurance, interest and other indirect costs incurred during the period of construction, to place the building into its intended use. Additionally, SAMS (Procedure 29.10.30) states the Form-C15, when properly completed presents the total cost of State property, by category, reflected on the agency's records as of the reporting date and reconciled the beginning balance of State property to the ending balance.

Office management indicated the issues identified were due to a lack of oversight and communication with the Association. Office management stated the other issues identified were due to a lack of documentation of the controls overseeing the events held at the Mansion and associated fees collected by the Association.

Failure to properly record capital improvements to the Office's property records resulted in inaccurate property reporting. Additionally, failure to maintain adequate records and proper documentation for capital improvement transactions did not allow for a determination as to whether the improvements were recorded properly. Further, failure to ensure all receipts collected by a third party on behalf of the Office are properly remitted to the Office for deposit could result in a loss of State revenue and inaccurate fee reporting. (Finding Code No. 2021-001, 2019-001)

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-001 **FINDING** (Inadequate Controls Over the Illinois Mansion Property and Receipts)
(Continued)

RECOMMENDATION

We recommend the Office:

- Evaluate the procedures and strengthen the controls over property and equipment purchased by the Association and then donated to the State, to ensure accurate record keeping and reporting of all State assets;
- Ensure balances reported on the Form C-15 accurately reflect Office records;
- Maintain adequate records and documentation of Office property activities; and,
- Ensure controls are implemented and documented to ensure all fees collected by the Association on behalf of the Office are remitted.

OFFICE RESPONSE

Accepted, the Office has put new procedures in place to strengthen fiscal controls and the segregation of duties regarding Mansion inventory and receivables. The Office will also work with the Mansion Association to reconcile the difference between the Office and Mansion Association records and will ensure that all future improvements are accurately recorded.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-002 **FINDING** (Inadequate Controls Over State Property)

The Office of the Governor (Office) did not maintain adequate controls over the recording and reporting of State property.

Due to the process and control deficiencies identified below and as noted in Finding 2021-001, we were unable to conclude whether the Office's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) in order to test the Office's controls over State property and equipment. Even given the population limitations noted above, which hindered our ability to conclude where selected samples were representative of the population as a whole, we performed the following tests:

RECORDING AND REPORTING DEFICIENCIES

During testing of the Office's quarterly Agency Report of State Property (Form C-15) we noted inaccurate, unsupported balances, and reporting deficiencies. Specifically:

- We noted an unknown difference, totaling \$316, between the Office's June 30, 2021 property listing and the June 30, 2021 C-15 balance.
- One of 8 (13%) quarterly Form C-15 was filed with the Office of Comptroller four days late.

The Statewide Accounting Management System (SAMS) (Procedure 29.20.10) requires the Form C-15 to be filed on a quarterly basis and be submitted to the Office of Comptroller no later than the last day of the month following the last day of the quarter. SAMS (Procedure 29.10.30) states the C-15, when properly completed presents the total cost of State property, by category, reflected on the agency's records as of the reporting date. SAMS (Procedure 07.30.20) states the effectiveness of any accounting and financial information system is very much dependent on the accuracy of data submitted and the confidence of its users that the system handled that data properly. Agency reconciliation is the primary control that insures these requirements are being satisfied.

During testing of property additions and deletions, we noted:

- Two of 4 (50%) additions tested, totaling \$5,724, were recorded in the Office's property records 296 and 667 days late.
- Four of 60 (7%) deletions tested, totaling \$7,694, the Office did not maintain supporting documentation.

The Illinois Administrative Code (Code) (44 Ill. Adm. Code 5010.400) requires agencies to adjust property records within 90 days of acquisition, change or deletion of equipment items. The State Records Act (5 ILCS 160/8) requires the head of each agency to preserve records containing adequate and proper documentation of the organization, functions,

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-002 **FINDING** (Inadequate Controls Over State Property) (Continued)

policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

During testing of the Office's annual certification of inventory, we noted the following:

- The Office did not appear to take appropriate measures to verify the property listing was accurate during the Fiscal Year 2020 annual physical inventory. The Office noted zero discrepancies on the certification, however our testing of property items noted instances of un-located property and property which could not be traced to the Office's records.

The State Property Control Act (30 ILCS 605/4) requires every responsible officer of State government to be accountable to the administrator for the supervision, control and inventory of all property under his jurisdiction.

During testing of the Office's expenditure vouchers, we noted two of 10 (20%) vouchers for equipment items were not properly added to property records. One equipment voucher, totaling \$7,000, was not added to the property records. The other voucher for furniture, totaling \$3,902 was added to the property records twice.

The Illinois Administrative Code (Code) (44 Ill. Adm. Code 5010.400) requires agencies to adjust property records within 90 days of acquisition, change or deletion of equipment items.

Additionally, the Office failed to implement a policy delineating the categories of equipment considered subject to theft.

The Code (44 Ill. Admin. Code 5010.210(c)) states each State agency is responsible for adopting policies clearly delineating categories of equipment considered to be subject to theft.

We obtained a listing of electronic storage media items disposed during the examination period noting 69 items on the listing that were identified as electronic media. We requested documentation in order to determine if the Office had ensured and documented the items were properly erased, wiped, sanitized, or destroyed in accordance with the destruction process required by the State of Illinois, Department of Innovation & Technology, Enterprise Information Security Policy, Media Protection Policy (Policy). However, the Office did not provide supporting documentation.

The Policy states an agency shall sanitize Information Systems media prior to disposal or release for reuse in accordance with federal and state laws and regulations and Agency standards and policies. Agency shall use sanitation mechanisms that have the strength and integrity equivalent to the security category or classification of information. Agency shall review, approve, track, document and verify media sanitization and disposal actions.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-002 **FINDING** (Inadequate Controls Over State Property) (Continued)

PROPERTY OBSERVATION

The Office did not ensure the physical locations of property items were accurate based on the Office's property listing. Specifically, during our inspection of 60 property items, we noted:

- Two (3%) property items were not tagged. The items consisted of furniture totaling \$9,800.
- Eight (13%) property items, totaling \$13,728, were not located at the Office. We determined four of the items were previously disposed and not removed from Office property records. The items included a grill, floor scrubber, ice maker, and whiteboard. The other four missing items consisted of office furniture and equipment, including two computers. Additionally, the Office was unable to provide documentation to determine if an assessment had been completed to conclude if the computers contained confidential information.
- Three (5%) property items selected at the Office were not located in the property records. The items consisted of furniture and office equipment.

The State Property Control Act (30 ILCS 605/4) requires every responsible officer of State government to be accountable to the administrator for the supervision, control and inventory of all property under his jurisdiction. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently and effectively and obligations and costs are in compliance with applicable laws.

PROPERTY LEASES

The Office failed to maintain adequate controls over equipment leases. We tested 48 monthly lease payments for a sample of two agreements, noting:

- Three (6%) monthly lease payments, totaling \$472, lacked a supporting invoice.
- One (2%) monthly lease payment, totaling \$150 was paid twice.

The State Records Act (5 ILCS 160/8) requires the head of each agency to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-002 **FINDING** (Inadequate Controls Over State Property) (Continued)

Office management stated the issues noted were due to turnover of personnel, competing priorities, and oversight.

Inadequate control over State property may result in inaccurate Statewide property information and increases the risk of equipment theft or loss occurring without detection. Failure to maintain adequate records and proper documentation for equipment transactions does not allow for a determination as to whether the asset is recorded properly. (Finding Code No. 2021-002, 2019-002, 2017-001, 2015-001, 2013-001, 11-1)

RECOMMENDATION

We recommend the Office:

- Properly review and monitor the submission of the Form C-15 to the Office of Comptroller to ensure compliance with the requirements of SAMS.
- Evaluate the procedures and strengthen the controls over property, equipment, and leases to ensure proper safekeeping and accurate and timely recordkeeping of all assets.
- Strengthen the controls over reporting the Office's annual certification of inventory.
- Implement a policy clearly delineating the categories of equipment considered subject to theft.
- Ensure and document electronic data processing equipment is properly erased, wiped, sanitized, or destroyed before removal from property control.
- Maintain adequate records and proper documentation of the Office capital asset activities.

OFFICE RESPONSE

Accepted, the Office will ensure that all inventory certifications and inventory transactions are completed in a timely and accurate manner. The Office has put new procedures in place to ensure that all electronic media is erased and/or destroyed according to DoIT policy. The Office has also added additional training and procedures to ensure that all invoices are paid timely and with supporting documentation attached. The Office will also implement a formal written policy stating what items are considered to be high theft.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-003 **FINDING** (Appointments of Members to Boards, Commissions, Councils, and Committees)

The Office of the Governor (Office) did not make the required appointments to various boards, commissions, councils, and committees to fill vacancies.

Fifty of 89 (56%) boards, commissions, councils, and committees tested were considered operational by the Office. During our testing, 30 of 50 (60%) boards, commissions, councils, and committees did not have the required number of members as follows:

- Illinois Advisory Council on Substance Use Disorders - 1 vacancy

The Alcoholism and Other Drug Abuse and Dependency Act (20 ILCS 301/10-15) requires the Governor to appoint 13 members to the Illinois Advisory Council on Substance Use Disorders.

- Eastern Illinois Economic Development Authority - 1 vacancy

The Eastern Illinois Economic Development Authority Act (70 ILCS 506/15(b) (2)) requires the Governor to appoint 3 members to the Eastern Illinois Economic Development Authority.

- Regulations and Site Remediation Advisory Committee - 4 vacancies

The Environmental Protection Act (415 ILCS 5/58.11(a)) requires the Governor to appoint 10 members to the Regulations and Site Remediation Advisory Committee.

- Illinois DREAM Fund Commission - 8 vacancies

The Higher Education Student Assistance Act (110 ILCS 947/67(a)) requires the Governor to appoint 9 members to the Illinois DREAM Fund Commission.

- Chicago State University Board of Trustees - 1 vacancy

The Chicago State University Law (110 ILCS 660/5-15) requires the Governor to appoint 7 members to the Chicago State University Board of Trustees.

- Advisory Council on the Education of Children with Disabilities - 6 vacancies

The School Code (105 ILCS 5/14-3.01) requires the Governor to appoint 23 members to the Advisory Council on the Education of Children with Disabilities.

- Department of Corrections Advisory Board - 7 vacancies

The Unified Code of Corrections (730 ILCS 5/3-2-6(a)) requires the Governor to appoint 11 members to the Department of Corrections Advisory Board.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-003 **FINDING** (Appointments of Members to Boards, Commissions, Councils, and Committees) (Continued)

- Health Facilities and Services Review Board - 2 vacancies

The Illinois Health Facilities Planning Act (20 ILCS 3960/4(b) and (c)) requires the Governor to appoint 9 members to the Health Facilities and Services Review Board.

- State Trauma Advisory Council- 5 vacancies. In addition, 2 of the 3 (67%) appointed members were not appointed to a three-year term.

The Emergency Medical Services (EMS) Systems Act (210 ILCS 50/3.205(b)) requires the Governor to appoint 8 members to the State Trauma Advisory Council. Members shall be appointed for a term of 3 years.

- African American Employment Plan Advisory Council - 1 vacancy

The African American Employment Plan Act (20 ILCS 30/25) requires the Governor to appoint 11 members to the African American Employment Plan Advisory Council.

- Illinois Affordable Housing Advisory Commission - 4 vacancies.

The Illinois Affordable Housing Act (310 ILCS 65/6(a)) requires the Governor to appoint 11 members to the Illinois Affordable Housing Advisory Commission, with the advice and consent of the Senate.

- Upper Illinois River Valley Development Authority - 3 vacancies

The Upper Illinois River Valley Development Authority Act (70 ILCS 530/4(b)) requires the Governor to appoint 10 members to the Upper Illinois River Valley Development Authority.

- Rare Disease Commission - 2 vacancies

The Rare Disease Commission Act (410 ILCS 445/10(b)(1)) requires the Governor to appoint 11 members to the Rare Disease Commission.

- Public Administrator and Public Guardians - 41 vacancies.

The Probate Act of 1975 (755 ILCS 5/13-1) requires the Governor to appoint in each county a suitable person to serve as a public administrator and a suitable person to serve as public guardian of the county. The Governor may appoint the same person to serve as a public guardian and public administrator in one or more counties.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-003 **FINDING** (Appointments of Members to Boards, Commissions, Councils, and Committees) (Continued)

- State Board of Health - 4 vacancies.

The Civil Administrative Code of Illinois (General Provisions and Departments of State Government) (20 ILCS 5/5-565(a)) requires the Governor to appoint 20 members to the State Board of Health.

- Illinois Torture Inquiry and Relief Commission - 1 vacancy

The Illinois Torture Inquiry and Relief Commission Act (775 ILCS 40/20(a)) requires the Governor to appoint 8 members to the Illinois Torture Inquiry and Relief Commission.

- Commission Review Board - 2 vacancies.

The Worker's Compensation Act (820 ILCS 305/14.1) requires the Governor to appoint 2 members who are not commissioners, arbitrators, or employees of the Illinois Worker's Compensation Commission to the Commission Review Board.

- State Employees Retirement System Board - 3 vacancies

The Pension Code (40 ILCS 5/14-134) requires the Governor to appoint 6 members to the State Employees Retirement System Board.

- Commission on Discrimination and Hate Crimes - 2 vacancies.

The Commission on Discrimination and Hate Crimes Act (20 ILCS 4070/10(a)) requires the Governor to appoint a chairperson and 20 members to the Commission on Discrimination and Hate Crimes.

- Offshore Wind Energy Economic Development Policy Task Force - 9 vacancies.

The Lake Michigan Wind Energy Act (20 ILCS 896/20(c)) requires the Governor to appoint 16 members to the Offshore Wind Energy Economic Development Policy Task Force.

- Smart Grid Advisory Council - 2 vacancies.

The Public Utilities Act (220 ILCS 5/16-108.6(b)) requires the Governor to appoint 5 members to the Smart Grid Advisory Council.

- South Suburban Brownfields Advisory Council - 1 vacancy.

The Brownfields Redevelopment and Intermodal Promotion Act (20 ILCS 607/3-30(a)) requires the Governor to appoint 2 members to the South Suburban Brownfields Advisory Council.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-003 **FINDING** (Appointments of Members to Boards, Commissions, Councils, and Committees) (Continued)

- Council on Aging - 6 vacancies.

The Illinois Act on Aging (20 ILCS 105/7.03) requires the Governor to appoint 23 members to the Council on Aging.

- Blind Services Planning Council - 2 vacancies.

The Bureau for the Blind Act (20 ILCS 2410/7) requires the Governor to appoint 11 members to the Blind Services Planning Council.

- Native American Employment Plan Advisory Council - 1 vacancy.

The Native American Employment Plan Act (20 ILCS 60/20) requires the Governor to appoint 11 members to the Native American Employment Plan Advisory Council.

- Southwestern Illinois Metropolitan and Regional Planning Commission - 6 vacancies.

The Southwestern Illinois Metropolitan and Regional Planning Act (70 ILCS 1710/5) requires the Governor to appoint 8 commissioners to the Southwestern Illinois Metropolitan and Regional Planning Commission.

- Mid-America Intermodal Authority Port District Board - 1 vacancy.

The Mid-America Intermodal Authority Port District Act (70 ILCS 1832/105) requires the Governor, by and with the advice and consent of the Senate, to appoint 3 members to the Mid-America Intermodal Authority Port District Board.

- Community and Residential Services Authority - 1 vacancy.

The School Code (105 ILCS 5/14 – 15.01) requires the Governor to appoint 6 members to the Community and Residential Services Authority.

- Adult Use Cannabis Health Advisory Committee - 1 vacancy.

The Cannabis Regulation and Tax Act (410 ILCS 705/5-25) requires the Governor to appoint 28 members to the Adult Use Cannabis Health Advisory Committee.

- Illinois Forestry Development Council - 4 vacancies.

The Forestry Development Act (525 ILCS 15/6b) requires the Governor to appoint 7 members to the Illinois Forestry Development Council.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-003 **FINDING** (Appointments of Members to Boards, Commissions, Councils, and Committees) (Continued)

Office management indicated the majority of the vacancies were due to the lack of qualified appointees available and recognizable.

Failure to appoint members to boards, commissions, councils, and committees may prevent the board, committee, council, or commissions from carrying out their mandated duties. (Finding Code No. 2021-003, 2019-004, 2017-002, 2015-002, 2013-002, 11-2, 09-3, 07-2)

RECOMMENDATION

We recommend the Office appoint qualified members to the boards, commissions, councils, and committees as required by the Acts and fill vacancies in a timely manner or seek a legislative remedy.

OFFICE RESPONSE

Accepted, the Office is committed to ensuring that every board, commission, council, and committee is filled with the most qualified candidates and is working to fill each vacancy.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-004 **FINDING** (Noncompliance with Statutorily Mandated Responsibilities)

The Office of the Governor (Office) did not comply with certain provisions of statutory mandates.

During our testing, we noted the following:

- The Violence Prevention Task Force did not prepare and submit to the Governor, a report of its activities for Fiscal Year 2020 and 2021.

The Violence Prevention Task Force Act (20 ILCS 4028/15) requires the Violence Prevention Task Force to report to the Governor and General Assembly, by December 1 of each year, its activities for the previous year.

- The Office could not provide documentation to determine whether qualifications of members appointed by the Governor to the Upper Illinois River Valley Development Authority were in accordance with the statute and whether the members were appointed with the advice and consent of the Senate.

The Upper Illinois River Valley Development Authority Act (70 ILCS 530/4) requires the Governor to appoint 10 members to the Upper Illinois River Valley Development Authority, with the advice and consent of the Senate. Members shall reside within the territorial jurisdiction of the Act and shall be persons of recognized ability and experience in one or more of the following areas: economic development, finance, banking, industrial development, small business management, real estate development, community development, venture finance, organized labor or civic, or community or neighborhood organization.

- The Office could not provide documentation to determine whether qualifications of members appointed by the Governor to the Western Illinois Economic Development Authority were in accordance with the statute and whether the members were appointed with the advice and consent of the Senate.

The Western Illinois Economic Development Authority Act (70 ILCS 532/20(b)) requires the Governor to appoint 6 members to the Western Illinois Economic Development Authority, with the advice and consent of the Senate. All public members shall reside within the territorial jurisdiction of the Authority. The public members shall be persons of recognized ability and experience in one or more of the following areas: economic development, finance, banking, industrial development, state or local government, commercial agriculture, small business management, real estate development, community development, venture finance, organized labor, or civic or community organization.

- The Office could not provide documentation the Governor designated one State agency representative and one other non-governmental member as co-chairs of the State Health Improvement Plan (SHIP) Implementation Coordination Council.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-004 **FINDING** (Noncompliance with Statutorily Mandated Responsibilities) (Continued)

The Civil Administrative Code of Illinois (General Provisions and Departments of State Government) (Code) (20 ILCS 5/5-565(a)) requires the Governor to appoint 20 members to the State Board of Health. In addition, the Code (20 ILCS 5/5-565(a-10)) requires the Governor to designate one State agency representative and one other non-governmental member as co-chairs of the SHIP Implementation Coordination Council.

- The Green Governments Council (Council) did not prepare and submit to the Governor and General Assembly, a report on the results of environmental sustainability actions taken by State agencies, educational institutions and units of local government for Fiscal Year 2019 and 2020.

The Green Governments Illionis Act (20 ILCS 3954/15) requires the Council to report annually to the Governor and General Assembly by November 1st of each year.

Office management indicated the noted conditions were due to oversight and the Office's inadequate recordkeeping from the prior administration.

Failure to perform mandated responsibilities prevents the Office from effectively serving the people of the State. (Finding Code No. 2021-004, 2019-005, 2017-003, 2015-003, 2013-003, 11-4, 09-5, 07-5)

RECOMMENDATION

We recommend the Office comply with statutory requirements or seek legislative remedy.

OFFICE RESPONSE

Accepted, the Office is working to ensure that every mandate is followed, however this task was made difficult during the COVID-19 Pandemic, when many meetings were cancelled.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-005 **FINDING** (Inadequate Controls Over Receipts Processing)

The Office of the Governor (Office) did not maintain adequate controls over receipts processing.

Due to the following process and control deficiencies identified below and as noted in 2021-001, we were unable to conclude whether the Office's population records were sufficiently precise and detailed under the Attestation standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the Office's control over receipts.

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 performed the following tests of receipts and noted:

- The Office did not maintain adequate segregation of duties over cash receipts during Fiscal Years 2020 and 2021. One employee had the authority to receive revenues, make deposits and maintain the cash receipts listing.
- The Office did not maintain a detailed itemized account of all moneys received during Fiscal Year 2021. The Office's detailed itemized account of all moneys received during Fiscal Year 2020 did not contain all of the money received and omitted the dates of receipt and payer information on the money received. The Office of Comptroller's records documented receipts totaling \$126,983 and \$17,246 for Fiscal Year 2021 and 2020, respectively.
- Three of 6 (50%) receipts tested, totaling \$2,000 were deposited between 4 and 60 days late.
- One of 4 (25%) refunds, totaling \$84, did not have documentation to demonstrate monies received were deposited timely.
- One of 4 (25%) refunds, totaling \$106, was deposited 5 days late.

The State Officers and Employee Money Disposition Act (30 ILCS 230/2) requires every agency maintain in proper books a detailed itemized account of all moneys received for or on behalf of the State of Illinois, showing the date of receipt, the payor, and purpose and amount, and the date and manner of disbursement. All monies shall be paid into the State treasury the gross amount of money so received on the day of actual physical receipt with respect to any single item of receipt exceeding \$10,000, within 24 hours of actual physical receipt with respect to an accumulation of receipts of \$10,000 or more, or within 48 hours of actual physical receipt with respect to an accumulation of receipts exceeding \$500, but

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-005 **FINDING** (Inadequate Controls Over Receipts Processing) (Continued)

less than \$10,000, disregarding holidays, Saturdays and Sundays, after the receipt of same, without any deduction on account of salaries, fees, costs, charges, expenses or claims of any description whatever. The State Records Act (5 ILCS 160/8) requires the head of each agency to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

Office management stated the above exceptions were due to personnel working remotely due to the COVID-19 pandemic.

Failure to maintain itemized records of receipts including information such as the date of receipt, payor, purpose, and amount may result in receipts not being properly accounted for, and difficulty in performing receipts reconciliations. Failure to timely deposit receipts delays the recognition of available cash within the State Treasury and could delay the payment of State obligations. Failure to maintain adequate records and proper documentation is noncompliance with the State Records Act and may limit the ability of the Office to provide support for its operations and make records available to the public, if requested, in accordance with the Act. (Finding Code No. 2021-005, 2019-006, 2017-007)

RECOMMENDATION

We recommend the Office allocate sufficient personnel in order to maintain effective internal control over the authorization, custody, and record keeping over receipts. In addition, we recommend the Office maintain detailed itemized records of its receipts and supporting documentation. We also recommend the Office deposit receipts and refunds timely in accordance with the State Officers and Employees Money Disposition Act.

OFFICE RESPONSE

Accepted, additional policies have been developed to further strengthen segregation of duties in the receipt process. Additional staff has been hired to allow for this and training has been provided to ensure that receipts and refunds are deposited timely and accurately. Also, the Office has initiated a formal check deposit register to allow for proper documentation of all receipts.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-006 **FINDING** (Inadequate Controls Over Monthly Reconciliations)

The Office of the Governor (Office) did not have adequate controls over monthly appropriations, cash receipts, contracts, expenditures, obligations and cash balance reconciliations.

During testing of Fiscal Year 2020 and 2021 reconciliations between the Office of Comptroller (Comptroller) records and the Office's records, we noted:

Monthly Appropriations Status Reports

- Thirty of 30 (100%) Monthly Appropriations Status Reports (SB01) reconciliations did not include documentation of a review by an independent person.
- Seventeen of 30 (57%) SB01 reconciliations did not document who prepared the reconciliation.
- Thirteen of 30 (43%) SB01 reconciliations were not prepared within 60 days. Reconciliations were prepared 1 to 187 days late.
- Three of 30 (10%) SB01 reconciliations did not include documentation showing the date the reconciliation was completed.
- Two of 30 (7%) SB01 reconciliations were not provided. The reconciliations were for the Fiscal Year 2020 lapse period.

In addition, we noted the Office's fiscal records did not reconcile to the Comptroller's records (SB01) for Fiscal Year 2020 and Fiscal Year 2021. The cause of the differences could not be determined.

Cash Reports, Monthly Agency Contract Report, Monthly Revenue Status Reports, and Monthly Obligation Activity Report

- All of Fiscal Year 2020 and 2021 reconciliations completed by the Office of the Cash Reports (SB05), Monthly Agency Contract Report (SC14), and Monthly Obligation Activity Report (SC15) did not contain sufficient documentation to determine if the reconciliations were adequately prepared or reviewed by an independent person.
- For Fiscal Year 2020 and 2021, the Office did not perform reconciliations of the Monthly Revenue Status Report (SB04) and their records.
- Six of 24 (25%) SB05 reconciliations were not prepared within 60 days. Reconciliations were prepared 11 to 78 days late.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and revenues are properly recorded and accounted for to permit the preparation of reliable financial and statistical

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-006 **FINDING** (Inadequate Controls Over Monthly Reconciliations) (Continued)

reports and to maintain accountability over the State's resources. The Statewide Accounting Management System (SAMS) (Procedure 11.40.20) requires the Office to perform monthly reconciliations of the unexpended appropriation balance from Office records to the records of the Comptroller within 60 days of month end. SAMS (Procedure 25.40.20) also requires the Office to perform monthly reconciliations of revenues from Office records to the records of the Comptroller within 60 days of month end. SAMS (Procedure 09.40.10) requires the Office to perform monthly reconciliations of Office cash records to the records of the Comptroller. Further, SAMS (Procedure 15.30.30) requires the Office to perform monthly reconciliations of Office contract and obligation records to the Comptroller within 60 days of the month end.

Office management indicated the majority of the errors were due to personnel working remotely due to the COVID-19 pandemic and the lack of personnel prevented the Office from having adequate controls over monthly reconciliations.

By not performing and properly documenting monthly reconciliations of appropriations, cash receipts, contracts, expenditures, obligations, and cash balance increases the risk errors or irregularities will go undetected and not be corrected in a timely manner. (Finding Code No. 2021-006, 2019-009)

RECOMMENDATION

We recommend the Office implement adequate internal controls and maintain documentation demonstrating the appropriations, cash receipts, cash report, contract report, and obligation activity report reconciliations are all performed and reviewed in a timely manner.

OFFICE RESPONSE

Accepted, the Office has completely revamped the monthly reconciliation process to strengthen fiscal controls. This new process involves a second level review, proper documentation, and the timely completion of all reconciliations.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-007 **FINDING** (Voucher Processing Weaknesses)

The Office of the Governor (Office) did not exercise adequate control over voucher processing.

Due to the processes and control deficiencies noted in Findings 2021-006 and 2021-008, we are unable to conclude the Office's expenditure records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35). Even given the population limitations noted above, which hindered our ability to conclude whether selected samples were representative as a whole, we performed the following testing.

During our testing of a sample of 125 vouchers, we noted:

- Twenty-seven (22%) vouchers, totaling \$238,822, were not stamped "received" by the Office. In these cases, the invoice and billing dates were used to determine timely approval and payment.
 - Fourteen (52%) vouchers, totaling \$111,375, were approved from 9 to 230 days late.
- Fifteen (12%) vouchers, totaling \$222,227, were approved from 1 to 94 days late.
- Two (2%) vouchers, totaling \$44,681, required interest penalties, totaling \$1,513, which were not accrued and paid at the end of the fiscal year.

The Illinois Administrative Code (Code) (74 Ill. Adm. Code 900.70) requires the Office to review a bill and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the bill in whole or in part, within 30 days after receipt of the bill.

The Code (Ill. Adm. Code 900.30) requires the Office to maintain written or electronic records reflecting the date or dates on which the proper bill was received and approval for payment of the bill was made.

The State Prompt Payment Act (Act) (30 ILCS 540/3-2(2)) requires the Office to accrue interest penalties in amounts greater than \$5 and less than \$50 until all interest due to the vendor exceeds \$50, except interest accrued as of the end of the fiscal year that does not exceed \$50 shall be payable at fiscal year-end. Further the Statewide Accounting Management System (SAMS) (Procedure 17.20.45) states it is the responsibility of the Office to develop and implement internal procedures that will permit full compliance with the provisions of the Act and the rules jointly promulgated by the State Comptroller and the Department of Central Management Services to govern the uniform application of the Act.

Office management indicated the issues identified were due to oversight and employees working remotely due to the COVID-19 pandemic.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-007 **FINDING** (Voucher Processing Weaknesses) (Continued)

Failure to review and approve proper bills within 30 days results in noncompliance with the Code and could cause the State to pay interest penalties. Inadequate documentation of invoice receipts resulted in noncompliance with the Code, and may result in unnecessary interest charges. Failure to pay interest charges is noncompliance with the Act and SAMS. (Finding Code No. 2021-007, 2019-007, 2017-005)

RECOMMENDATION

We recommend the Office strengthen their controls to ensure vouchers are approved and paid within the required time frame and the required interest is paid in accordance with the State Prompt Payment Act.

OFFICE RESPONSE

Accepted, additional training and review has been added to the vouchering process to ensure that all invoices are date stamped with the proper bill date, all interest penalties are paid, and ensures all invoices are paid timely.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-008 **FINDING** (Failure to Maintain Proper Controls over Personal Services Functions)

The Office of the Governor (Office) failed to maintain proper controls over its personal services functions.

Payroll Vouchers

During our testing of a sample of 60 payroll vouchers, we noted one (2%) payroll voucher did not agree with the Office's expenditure records. The Office's expenditures records were understated by \$7,428.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Office to maintain a system, or systems, of fiscal and administrative controls to ensure revenues, expenditures, and transfer of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Personnel Files

- We sampled 26 employee personnel files for the Employment Eligibility Verification (Form I-9) forms noting:
 - Two (8%) Form I-9s on file were incomplete, whereby Section 2 was not completed by the employer.
 - Two (8%) Form I-9s Section 1 were untimely completed. The Form I-9 Section 1 was to be completed and dated on or before the employee's first day of employment.
 - One (4%) Form I-9 Section 2 was untimely completed. The Form I-9 Section 2 was to be completed and dated within three business days from the employee's first date of employment.
 - One (4%) employee personnel file did not have a completed Form I-9 on file.

The Code of Federal Regulations (Code) (8 C.F.R. § 274a.2(b)(1)(i)(A)) requires each employer to ensure a new employee completes Section 1 on the Form I-9 at the time of hire. The Code (8 C.F.R. § 274a.2(b)(1)(ii)(B)) requires each employer to complete Section 2 on the Form I-9 within three business days after an employee is hired and sign the attestation in the appropriate place. In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Office to establish and maintain a system, or systems, of internal fiscal and administrative controls.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-008 **FINDING** (Failure to Maintain Proper Controls over Personal Services Functions)
(Continued)

Payroll Withholding

During our testing of a sample of 26 employee's payroll withholdings, we noted:

- Three (12%) employees' files lacked documentation supporting the employee's federal income tax withholding amount. Of the three, two employees' federal income tax withholding amounts did not agree to our calculated amount based on the employee's Federal Employee's Withholding Certificate. We were unable to calculate the federal withholding amount for the other employee due to the lack of the federal withholding certificate.
- Three (12%) employees files lacked documentation supporting the employee's State income tax withholding amount. Of the three, two employees' State income tax withholding amounts did not agree to our calculated amount based on the employee's State Withholding Certificate. We were unable to calculate the State withholding for the other employee due to the lack of documentation of the State Withholding Certificate.

The Internal Revenue Service Publication 15 (Circular E), Employer's Tax Guide, requires employers to withhold federal income tax from each wage payment or supplemental unemployment compensation plan benefit payment according to the employee's Form W-4 and correct withholding table. The State Salary and Annuity Withholding Act (5 ILCS 365/3) requires agencies to direct the Comptroller to withhold deductions from an employee's salary based upon the withholding authorization which the employee has completed. Additionally, the Statewide Accounting Management System (SAMS) (Procedure 23.20.05) requires all State agencies to have on file a properly completed Federal/Illinois withholding certifications for all active employees.

Employee Attendance Records

During our testing of 60 employee attendance records, we noted:

- Sixty (100%) timesheets lacked documentation of the dates the timesheets were submitted and approved.
- Fifty (83%) employee absences lacked documentation the absences were requested and approved in advance.
- Ten (17%) employee absences were not requested or approved in advance.
- Two of 60 (3%) timesheets were not approved by the employee's supervisor.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-008 **FINDING** (Failure to Maintain Proper Controls over Personal Services Functions)
(Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Office to maintain a system, or systems, of fiscal and administrative controls. The Office's Employee Handbook (Handbook) requires all employees to complete timesheets by close of business each Wednesday for the prior weeks' time. The timesheets should reflect all hours worked to the nearest quarter hour, including those outside of the office or outside of normal office hours. For each business day, each employee's timesheet must track hours allocated to official State business, vacation, sick time, personal, holiday, earned equivalent time (EET), or other approved leave. Additionally, the Handbook requires employees to submit requests for vacation, personal, and EET time at least one week in advance of the start of the requested time off.

Reporting

The Office did not maintain supporting documentation for the information reported on the Office's Fiscal Year 2019 Agency Workforce Report (Report). As a result, we were unable to determine the accuracy of the Report.

The State Employment Records Act (Act) (5 ILCS 410/20) requires State agencies to collect, classify, maintain, and report all information required by the Act on a fiscal year basis.

Office management indicated the noted errors were due to competing priorities and management oversight.

Failure to establish and maintain adequate fiscal and administrative controls over personal services represents noncompliance with laws, rules, and regulations, and could result in inaccurate payroll expenditures, unnecessary legal risks due to incomplete withholding from an employee's pay, and unapproved payroll expenditures. (Finding Code No. 2021-008, 2019-003)

RECOMMENDATION

We recommend the Office establish and maintain fiscal and administrative internal controls over its personal services functions, including:

- Ensure payroll vouchers are properly recorded within the Office's expenditure records;
- Maintaining complete and accurate personnel files, including completed Form I-9 and authorizations for payroll deductions;
- Ensuring documentation of employees' requests and prior approval of time off is completed and maintained;
- Ensuring employees submit and also their supervisor approves employees' timesheets timely; and,

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-008 **FINDING** (Failure to Maintain Proper Controls over Personal Services Functions)
(Continued)

- Maintaining complete and accurate documentation of information reported on the Agency Workforce Reports.

OFFICE RESPONSE

Accepted, the Office has added additional staff and review procedures to the payroll process to ensure accuracy. The Office has also audited personnel files to ensure that all required documents are in the file, also a process has been established to ensure that the proper documents are in the file when the employee starts their role. The Office is also looking into revamping personnel policies to ensure proper approvals are submitted timely. The Office has also submitted the Workforce Report timely and has saved the backup documentation for subsequent years.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-009 **FINDING** (Weakness in Cybersecurity Programs and Functions)

The Office of the Governor (Office) had not implemented adequate internal controls related to cybersecurity programs, practices and control of confidential information.

As part of its mission to govern the State of Illinois, the Office maintains confidential information, such as names, addresses, and Social Security numbers.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the Office's cybersecurity program, practices and control of confidential information, we noted the Office had not:

- Developed a formal, comprehensive, adequate, and communicated security program (including policies, procedures, and processes as well as clearly defined responsibilities over the security of computer programs and data) to manage and monitor the regulatory, legal, environmental and operational requirements.
- Developed a risk management methodology, conducted a comprehensive risk assessment, or implemented risk reducing internal controls.
- Classified its data to identify and ensure adequate protection of information.

The Framework for Improving Critical Infrastructure Cybersecurity and the Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology requires entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

Office management stated they believed the Department of Innovation and Technology was responsible for cybersecurity controls.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities, which could ultimately lead to the Office's confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2021-009)

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-009 **FINDING** (Weakness in Cybersecurity Programs and Functions) (Continued)

RECOMMENDATION

We recommend the Office work with the Department of Innovation and Technology to define roles and responsibilities related to cybersecurity control. In addition, we recommend the Office:

- Develop a formal, comprehensive, adequate, and communicated security program (including policies, procedures, and processes as well as clearly defined responsibilities over the security of computer programs and data) to manage and monitor the regulatory, legal, environmental and operational requirements.
- Develop a risk management methodology and perform a comprehensive risk assessment to identify and ensure adequate protection of confidential or personal information.
- Classify its data to establish the types of information most susceptible to attack to ensure adequate protection.

OFFICE RESPONSE

Accepted, the Office has entered into a formal intergovernmental agreement with DoIT to provide cybersecurity programs and functions and is actively working with DoIT to ensure that proper controls are put into place to monitor the programs and functions. The Office is currently undergoing a formal risk assessment by DoIT and will work to mitigate any risks that are identified, if any.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-010 **FINDING** (Failure to Make Appointments to Entities Considered Non-operational and Noncompliance with Statutorily Mandated Responsibilities)

The Office of the Governor (Office) considers certain boards, commissions, councils, and committees to be non-operational and did not make the required appointments to fill vacancies. In addition, the Office did not comply with certain provisions of statutory mandates.

Thirty-seven of 89 (42%) boards, commissions, councils, and committees tested were considered non-operational by the Office. During our testing, we noted:

- The Office did not make appointments to 31 of 37 (84%) boards, commissions, councils, and committees as follows:
 - Interstate Rail Passenger Advisory Council
 - Illinois Plain Language Task Force
 - Weatherization Initiative Board
 - McCormick Place Advisory Board
 - Family Support Center Council
 - Hospital Basic Services Review Board
 - Illinois Valley Regional Port District Board
 - Elmwood Park Grade Separation Authority
 - Illinois Coal Development Board
 - Southwest Suburban Railroad Redevelopment Authority
 - Downstate Illinois Sports Facilities Authority Board
 - Physician Assistant Advisory Committee
 - African American HIV/AIDS Response Officer
 - Women's Business Ownership Council
 - Advisory Commission on Pension Benefit
 - General Assembly Retirement System Board
 - Social Security Number Protection Task Force
 - Local Food, Farms, and Jobs Council
 - Health Care Worker Background Check Act
 - Teacher's Retirement Insurance Program Committee
 - Minority Males Task Force
 - Medical Cannabis Advisory Board
 - State Healthcare Workforce Council
 - Asian American Family Commission
 - Illinois Muslim American Advisory Council
 - Illinois Community College Board
 - Health Care Worker Task Force
 - Illinois Youth Development Council
 - University of Illinois at Chicago School of Public Health Workgroup
 - Green Governments Council
 - Task Force on Transitional Housing for Sex Offenders

The Interstate Rail Passenger Network Compact Act (45 ILCS 77/25) requires the Governor to appoint 4 members to the Interstate Rail Passenger Advisory Council.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-010	<u>FINDING</u>	(Failure to Make Appointments to Entities Considered Non-operational and Noncompliance with Statutorily Mandated Responsibilities) (Continued)
		The Illinois Plain Language Task Force Act (20 ILCS 4090/15(a)) requires the Governor to appoint 3 members to the Illinois Plain Language Task Force.
		The Urban Weatherization Initiative Act (30 ILCS 738/40-40(b)) requires the Governor to appoint 5 members to the Weatherization Initiative Board.
		The Metropolitan Pier and Exposition Authority Act (70 ILCS 210/23.1(f)) requires the Governor to appoint 2 members to the McCormick Place Advisory Board.
		The Family Support Demonstration Project (325 ILCS 30/6) requires the Governor to appoint members to the Family Support Center Council for the purpose of planning and implementing the establishment and development of a family support center.
		The Hospital Basic Services Preservation Act (20 ILCS 4050/7(b)) requires the Governor to appoint 1 member to the Hospital Basic Services Review Board.
		The Illinois Valley Regional Port District Act (70 ILCS 1815/31) requires the Governor to appoint 2 members to the Illinois Valley Regional Port District Board.
		The Elmwood Park Grade Separation Authority Act (70 ILCS 1935/50) requires the Governor to appoint 9 members to the Elmwood Park Grade Separation Authority.
		The Energy Conservation and Coal Development Act (20 ILCS 1105/8) requires the Governor to appoint 8 members to the Illinois Coal Development Board.
		The Southwest Suburban Railroad Redevelopment Authority Act (70 ILCS 1930/35) requires the Governor to appoint 5 members to the Southwest Suburban Railroad Redevelopment Authority.
		The Downstate Illinois Sports Facilities Authority Act (70 ILCS 3210/15) requires the Governor to appoint 8 members to the Downstate Illinois Sports Facilities Authority Board.
		The Physician Assistant Practice Act of 1987 (225 ILCS 95/11) requires the Governor to appoint 4 members and approve 1 member to the Physician Assistant Advisory Committee. No member shall serve more than 2 consecutive terms.
		The African-American HIV/AIDS Response Act (410 ILCS 303/10) requires the Governor to have a designated African-American HIV/AIDS Response Officer appointed.
		The Women's Business Ownership Act of 2015 (20 ILCS 5060/5) requires the Governor to appoint 5 members to the Women's Business Ownership Council.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-010 **FINDING** (Failure to Make Appointments to Entities Considered Non-operational and Noncompliance with Statutorily Mandated Responsibilities)
(Continued)

The Illinois Pension Code (40 ILCS 5/1A-201) requires the Governor to appoint 8 persons to the Advisory Commission on Pension Benefits. Four of the persons appointed by the Governor shall represent different statewide labor organizations, of which 2 shall be organizations that represent primarily teachers and 2 shall be organizations that represent primarily State employees other than teachers.

The Illinois Pension Code (40 ILCS 5/2-128) requires the Governor to appoint a Board member in the event of a vacancy of the General Assembly Retirement System Board during the interim recess of the General Assembly for the unexpired term.

The Social Security Number Protection Task Force Act (20 ILCS 4040/10) requires the Governor to appoint 1 member to the Social Security Number Protection Task Force.

The Local Food, Farms, and Jobs Act (30 ILCS 595/25(a) and (b)) requires the Governor to appoint 15 members to the Local Food, Farms, and Jobs Council.

The Health Care Worker Background Check Act (225 ILCS 46/40.1) requires the Office to establish a working group regarding the activities under the Act to evaluate and monitor the success of health care waivers in creating job opportunity for people with criminal records and to identify and recommend changes to the waiver application and implementation process to reduce barriers for applicants or employees.

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5(g-5)) requires the Governor to appoint 10 members to the Teacher's Retirement Insurance Program Committee.

The Minority Males Act (20 ILCS 4000/3) requires the Governor to appoint 5 members to the Minority Males Task Force.

The Compassionate Use of Medical Cannabis Program Act (410 ILCS 130/45(g) and (h)) requires the Governor to appoint 16 members to the Medical Cannabis Advisory Board.

The Comprehensive Healthcare Workforce Planning Act (20 ILCS 2325/15(a) and (b)) requires a representative of the Governor's Office to be a member and requires the Governor to appoint 9 members, who shall be healthcare experts, to the State Healthcare Workforce Council. Additionally, the Comprehensive Healthcare Workforce Planning Act (20 ILCS 2325/15(c)) requires the Governor to appoint a healthcare workforce expert from the non-governmental sector to serve as Vice-Chair.

The Asian American Family Commission Act (20 ILCS 3916/10(b)) requires the Governor to appoint 3 members to the Asian American Family Commission and requires the Governor to appoint the chairperson or chairpersons.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-010 **FINDING** (Failure to Make Appointments to Entities Considered Non-operational and Noncompliance with Statutorily Mandated Responsibilities)
(Continued)

The Illinois Muslim American Advisory Council Act (20 ILCS 5110/20) requires the Governor to appoint 1 member to be the representative of the Office of the Governor. Additionally, the Governor is required to appoint 4 members to the Illinois Muslim American Advisory Council and select the chairperson of the Council from among members.

The Public Community College Act (110 ILCS 805/2-26(b)) requires the Governor to appoint a minimum of ten members with listed qualifications to the Advisory Board established by the Illinois Community College Board.

The Health Care Worker Background Check Act (225 ILCS 46/65(d)) requires the Governor to appoint 7 members to the Health Care Worker Task Force, including one member of which is a chairman knowledgeable about health care issues.

The Afterschool Youth Development Project Act (325 ILCS 27/15(b)(1)) requires the Governor to appoint at least 11 members to the Illinois Youth Development Council.

The Health in All Policies Act (410 ILCS 155/10(d)(17)) requires the Governor to appoint one representative of the Office of the Governor to serve as a member of the University of Illinois at Chicago School of Public Health Workgroup.

The Green Governments Illinois Act (20 ILCS 3954/15) requires the Governor to chair the Green Governments Council and requires a minimum of one staff position in the Office of the Governor to be dedicated to the Green Governments Illinois Program.

The Unified Code of Corrections (730 ILCS 5/3-19-15(a)(7)) requires the Governor to appoint 2 members from the Governor's Office to the Task Force on Transitional Housing for Sex Offenders.

- The Office did not make the required number of appointments to 2 of 37 (5%) boards, commissions, councils, and committees tested to fill vacancies. These were the following:
 - Mt. Carmel Regional Port District Board (7 members) – 1 (14%) vacancy
Additionally, the remaining 6 member are serving on expired terms.
 - Advisory Council on Youth HIV/AIDS Prevention Messages (5 members) – 1 (20%) vacancy
Additionally, the remaining 4 members are serving on expired terms.

The Mt. Carmel Regional Port District Act (70 ILCS 1835/21) requires the Governor to appoint 7 members to the Mt. Carmel Regional Port District Board with a term of three years.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-010 **FINDING** (Failure to Make Appointments to Entities Considered Non-operational and Noncompliance with Statutorily Mandated Responsibilities)
(Continued)

The Civil Administrative Code of Illinois (20 ILCS 2310/2310-323) requires the Governor to appoint 5 members to the Advisory Council on Youth HIV/AIDS Prevention Messages. Members are to serve for three year terms or until their successor is appointed and qualified.

- Four of 37 (11%) of boards, commissions, councils, and committees tested were not created, thus no members were appointed. These were the following:
 - Metro East Solid Waste Disposal and Energy Producing Service
 - Springfield High Speed Railroad Community Advisory Commission
 - Advisory Board on Necropsy Service to Coroners
 - Dixon Railroad Relocation Authority

The Metro East Solid Waste Disposal and Energy Producing Service Act (70 ILCS 3110/5) requires the Governor to appoint 1 member from each of the participating municipalities to the Metro East Solid Waste Disposal and Energy Producing Service.

The Springfield High Speed Railroad Community Advisory Act (610 ILCS 135/10) requires the Governor to appoint 1 member to the Springfield High Speed Railroad Community Advisory Commission.

The Civil Administrative Code of Illinois (General Provisions and Departments of State Government) (20 ILCS 5/5-565(c)) requires the Governor to appoint 11 members to the Advisory Board on Necropsy Service to Coroners.

The Dixon Railroad Relocation Authority Law (70 ILCS 1925/5-45) requires the Governor to appoint 5 members to the Dixon Railroad Relocation Authority.

- The Office did not comply with provisions of certain statutory mandates, which included the following:
 - The Governor had not established a Health Care Worker Registry working group to lead the activities under the Health Care Worker Background Check Act.

The Health Care Worker Background Check Act (225 ILCS 46/40.1) requires the Office to establish a working group regarding the activities under the Act to evaluate and monitor the success of health care waivers in creating job opportunity for people with criminal records and to identify and recommend changes to the waiver application and implementation process to reduce barriers for applicants and employees.

- The Office could not provide documentation to demonstrate the Teacher's Retirement Insurance Program Committee convened at least 4 times a year to make recommendations on issues affecting the program of health benefits and adjustments to the funding sources if the Teacher Health Insurance Security Fund experienced a deficit balance.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-010 **FINDING** (Failure to Make Appointments to Entities Considered Non-operational and Noncompliance with Statutorily Mandated Responsibilities)
(Continued)

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5(g-5)) requires that the Teacher Retirement Insurance Program Committee shall convene at least 4 times each year, and shall consider and make recommendations on issues affecting the program of health benefits provided under this Act. If the Teacher Health Insurance Security Fund experiences a deficit balance based upon the contribution and subsidy rates established, the Committee shall make recommendations for adjustments to the funding sources established under this Act.

Office management stated vacancies occur and are not communicated to the Office by the contact at the board or commission. Further, Office management stated because these boards are currently non-operational, they have not been prioritized over boards that are deemed operational with vacancies.

Each of the entities noted above is statutorily mandated to perform a function. Failure to appoint members prevents the boards, commissions, councils and committees from carrying out their mandated duties. Failure to perform mandated responsibilities prevents the Office from effectively serving the people of the State. (Finding Code No. 2021-010, 2019-012)

RECOMMENDATION

We recommend the Office comply with the required appointments to these boards, commission, councils and committees and comply with statutory requirements or seek a legislative remedy.

OFFICE RESPONSE

Accepted, the Office will work to review appointments or legislative remedy for non-operational entities.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2021**

2021-011 **FINDING** (Inadequate Internal Controls Over Interagency Agreements)

The Office of the Governor (Office) did not establish adequate internal controls over interagency agreements.

During testing, we noted 2 of 4 (50%) interagency agreements entered into by the Office during the examination period were not signed by both parties prior to the effective date of the agreement. The agreements were signed 25 and 630 days late.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Office to maintain a system, or systems, of fiscal and administrative controls to provide assurance that resources are utilized efficiently and effectively and obligations and costs are in compliance with applicable laws.

Office management stated the parties were in agreement as to the terms and conditions of each intergovernmental agreement prior to the start dates of the agreements, but busy schedules and workload capacity hindered the timely execution by the parties.

Failure to approve interagency agreements prior to the effective date prevents all parties from timely assessing whether the agreements are reasonable and appropriate and results in each party's responsibilities not being sufficiently documented in a timely manner. (Finding Code No. 2021-011, 2019-010, 2017-004, 2015-004, 2013-004, 11-3, 09-4, 07-3)

RECOMMENDATION

We recommend the Office ensure each interagency agreement is signed by the parties prior to the effective date.

OFFICE RESPONSE

Accepted, all parties to the Office's interagency agreements had a clear understanding of what was required of each party, however, the formal written agreements were not formally put in writing in a timely manner. The Office will work to ensure that all interagency agreements are reduced to writing and executed timely.

STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2021

A. **FINDING** (Inadequate Controls Over Travel Expenditures)

During the prior examination, the Office of the Governor (Office) did not exercise adequate controls over travel expenditures.

During the current examination, our testing indicated the Office had adequate controls over travel expenditures. (Finding Code No. 2019-008, 2017-006)

B. **FINDING** (Failure to Enter Into an Intergovernmental Agreement)

During the prior examination, the Office of the Governor (Office) failed to enter into an intergovernmental agreement with the Department of Central Management Services (CMS) for vehicle usage.

During the current examination, our testing indicated the Office entered into an intergovernmental agreement with CMS for vehicle usage. (Finding Code No. 2019-011)

C. **FINDING** (Failure to Implement Provision of the Identity Protection Act)

During the prior examination, the Office of the Governor (Office) failed to implement the provisions of the Identity Protection Act (Act).

During the current examination, our testing indicated the Office implemented an identity protection policy, including the proper policies and procedures to comply with the Act. (Finding Code No. 2019-013)

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
DISCLOSURES ACCOMPANYING A STATE COMPLIANCE EXAMINATION REPORT
For the Two Years Ended June 30, 2021**

DISCLOSURES REPORT

SUMMARY

A reading of the accompanying report components of the State of Illinois, Office of the Governor (Office) was performed by West & Company, LLC.

ACCOUNTANT'S REPORT

The accountants concluded omissions and uncorrected material misstatements of the other information exist, as described in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report.

EXIT CONFERENCE

This report was discussed with Office personnel at an exit conference on January 24, 2022.

Attending were:

Office of the Governor

Kenneth Steele, Chief Operating Officer

Sydney Ellison, Director of Operations

Eric Bolinger, Director of Fiscal Operations

Whitney Rosen, Deputy General Counsel and Ethics Officer

Stephon Bishop, Director of Human Resources

William House, Deputy Director of Human Resources

Alexis Fricke, Fiscal and Operations Manager

Office of the Auditor General

Kathy Lovejoy, Principle of IS Audits

West & Company, LLC – Special Assistant Auditors

Michael Lawler, Partner

Jacob Hill, Senior Accountant



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INDEPENDENT ACCOUNTANT'S REPORT
ON DISCLOSURES ACCOMPANYING A STATE COMPLIANCE EXAMINATION REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Disclosures Accompanying a State Compliance Examination Report

Management of the State of Illinois, Office of the Governor (Office) is responsible for the *Disclosures Accompanying a State Compliance Examination Report* (other information), which consists of the Fiscal Schedules and Analysis and Analysis of Operations report components as listed in the Table of Contents. The other information comprises disclosures which must be presented by management in accordance with *Report Components* memorandum published by the Auditor General of the State of Illinois, but does not include our *Independent Accountant's Report on State Compliance and on Internal Control over Compliance* found in the separate *State Compliance Examination Report* included within this document. Our opinion on the Office's State compliance and internal control over compliance does not cover this other information, and we do not express an opinion or any form of assurance thereon.

In connection with our examination of the Office, our responsibility is to read the other information and consider whether:

- 1) a material inconsistency exists between the other information and our knowledge and facts of the Office we obtained as part of the Office's State compliance examination;
- 2) the other information appears to have been omitted; or,
- 3) the other information appears to be materially misstated.

If, based on the work performed, we concluded an omission or uncorrected material misstatement of the other information exists, we are required to describe it in this report. As described below, we have concluded uncorrected material misstatements of the other information exist.

- 1) The amounts in the Office's *Schedule of Appropriations, Expenditures, and Lapsed Balances* for both Fiscal Year 2021 and Fiscal Year 2020 were not reconciled by Office management to the Office of Comptroller's records.
- 2) The amounts in the Office's *Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances* were not reconciled by Office management to the Office of Comptroller's records.
- 3) The amounts in the Office's *Comparative Schedule of Net Expenditures by Major Activity* were not reconciled by Office management to the Office of Comptroller's records.
- 4) The amounts in the Office's *Analysis of Significant Variations in Expenditures* were not reconciled by Office management to the Office of Comptroller's records.

- 5) The amounts in the *Comparative Schedule of Cash Receipts and Deposits into the State Treasury* were unable to be reconciled by Office management to the Office of Comptroller's records. Further, we have significant doubts about the classification of receipts within the *Comparative Schedule of Cash Receipts and Deposits into the State Treasury* because Office management did not maintain a detailed itemized account of all moneys received.
- 6) We have significant doubts about whether the *Analysis of Significant Variations in Receipts* was complete and appropriately disclosed due to the inability of Office management to reconcile the Office's activity with the Office of Comptroller's records and because Office management did not maintain a detailed itemized account of all moneys received.
- 7) The amounts and disclosures within the *Schedule of Changes in Property* likely are materially misstated as the result the Office's property records being incomplete and inaccurate.

Greenville, Illinois
February 14, 2022

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2021**

For the Fifteen Months Ended September 30, 2021

Public Act 101-0637	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2021	Lapse Period Expenditures July 1 to September 30, 2021	Total Expenditures 15 Months Ended September 30, 2021	Balances Lapsed September 30, 2021
FISCAL YEAR 2021					
APPROPRIATED FUNDS					
General Revenue Fund - 001					
Operational Expenses	\$ 10,923,300	\$ 9,374,090	\$ 516,329	\$ 9,890,419	\$ 1,032,881
Subtotal, Fund 001	\$ 10,923,300	\$ 9,374,090	\$ 516,329	\$ 9,890,419	\$ 1,032,881
Governor's Administrative Fund - 926					
Duties of the Office	\$ 500,000	\$ 389,816	\$ 24,087	\$ 413,903	\$ 86,097
Subtotal, Fund 926	\$ 500,000	\$ 389,816	\$ 24,087	\$ 413,903	\$ 86,097
Governor's Grant Fund - 947					
Governor's Grant Fund	\$ 2,489,600	\$ 1,528,786	\$ 50,160	\$ 1,578,946	\$ 910,654
Subtotal, Fund 947	\$ 2,489,600	\$ 1,528,786	\$ 50,160	\$ 1,578,946	\$ 910,654
NON-APPROPRIATED FUND					
Illinois Executive Mansion Trust Fund - 296					
Mansion Expenses		\$ -	\$ -	\$ -	\$ -
Subtotal, Fund 296		\$ -	\$ -	\$ -	\$ -
GRAND TOTAL - ALL FUNDS	\$ 13,912,900	\$ 11,292,692	\$ 590,576	\$ 11,883,268	\$ 2,029,632

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the Office's records as of September 30, 2021

Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2020**

For the Fifteen Months Ended September 30, 2020

Public Act 101-0007	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2020	Lapse Period Expenditures July 1 to September 30, 2020	Total Expenditures 15 Months Ended September 30, 2020	Balances Lapsed September 30, 2020
FISCAL YEAR 2020					
APPROPRIATED FUNDS					
General Revenue Fund - 001					
Operational Expenses	\$ 10,923,300	\$ 8,581,216	\$ 595,582	\$ 9,176,798	\$ 1,746,502
Cost associated with the Bicentennial Commission, including prior year costs	55,000	50,272	417	50,689	4,311
Subtotal, Fund 001	\$ 10,978,300	\$ 8,631,488	\$ 595,999	\$ 9,227,487	\$ 1,750,813
Governor's Administrative Fund - 926					
Duties of the Office	\$ 500,000	\$ 361,731	\$ 106,380	\$ 468,111	\$ 31,889
Subtotal, Fund 926	\$ 500,000	\$ 361,731	\$ 106,380	\$ 468,111	\$ 31,889
Governor's Grant Fund - 947					
Governor's Grant Fund	\$ 2,489,600	\$ 1,896,300	\$ 30,899	\$ 1,927,199	\$ 562,401
Subtotal, Fund 947	\$ 2,489,600	\$ 1,896,300	\$ 30,899	\$ 1,927,199	\$ 562,401
NON-APPROPRIATED FUND					
Illinois Executive Mansion Trust Fund - 296					
Mansion Expenses		\$ -	\$ -	\$ -	\$ -
Subtotal, Fund 296		\$ -	\$ -	\$ -	\$ -
GRAND TOTAL - ALL FUNDS	\$ 13,967,900	\$ 10,889,519	\$ 733,278	\$ 11,622,797	\$ 2,345,103

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the Office's records as of September 30, 2020

Note 2: Expenditure amounts are vouchers approved for payment by the Office of the Governor and submitted to the State Comptroller for payment to the vendor.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**

For the Fiscal Year Ended June 30

	2021	2020	2019
APPROPRIATED FUNDS			
General Revenue Fund - 001			
Expenditure Authority	\$ 10,923,300	\$ 10,978,300	\$ 4,583,000
Expenditures:			
Operational Expenses	\$ 9,890,419	\$ 9,176,798	\$ 4,567,795
Cost associated with the Bicentennial Commission, including prior year costs	-	50,689	-
Total Expenditures	\$ 9,890,419	\$ 9,227,487	\$ 4,567,795
Balances Lapsed	\$ 1,032,881	\$ 1,750,813	\$ 15,205
Governor's Administrative Fund - 926			
Expenditure Authority	\$ 500,000	\$ 500,000	\$ -
Expenditures:			
Lump Sums and Other Purposes	\$ 413,903	\$ 468,111	\$ -
Total Expenditures	\$ 413,903	\$ 468,111	\$ -
Balances Lapsed	\$ 86,097	\$ 31,889	\$ -
Governor's Grant Fund - 947			
Expenditure Authority	\$ 2,489,600	\$ 2,489,600	\$ 100,000
Expenditures:			
Governor's Grant Fund	\$ 1,578,946	\$ 1,927,199	\$ -
Total Expenditures	\$ 1,578,946	\$ 1,927,199	\$ -
Balances Lapsed	\$ 910,654	\$ 562,401	\$ 100,000
TOTAL APPROPRIATED FUNDS			
Expenditure Authority	\$ 13,912,900	\$ 13,967,900	\$ 4,683,000
Expenditures	\$ 11,883,268	\$ 11,622,797	\$ 4,567,795
Balances Lapsed	\$ 2,029,632	\$ 2,345,103	\$ 115,205

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**

For the Fiscal Year Ended June 30

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>NONAPPROPRIATED FUNDS</u>			
ILLINOIS EXECUTIVE MANSION TRUST FUND - 296			
Expenditures:			
Mansion Expenses	\$ -	\$ -	\$ 5,908
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,908</u>
<u>TOTAL NONAPPROPRIATED FUNDS</u>			
Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,908</u>
<u>GRAND TOTAL - ALL FUNDS</u>			
Expenditures	<u>\$ 11,883,268</u>	<u>\$ 11,622,797</u>	<u>\$ 4,573,703</u>
<u>STATE OFFICERS' SALARIES</u>			
General Revenue Fund - 001 (State Comptroller)			
Expenditures:			
Governor's Salary	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the Office's records as of September 30, 2021, and September 30, 2020.
- Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.
- Note 3: The Office received appropriations during Fiscal Year 2020 from Public Act 101-0007. In addition, the Office received appropriations during Fiscal Year 2021 from Public Act 101-0637.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
COMPARATIVE SCHEDULE OF NET EXPENDITURES
BY MAJOR ACTIVITY**

For the Fiscal Years Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>EXPENDITURE STATISTICS</u>			
All State Treasury Funds			
Total Operations Expenditures:	\$ 11,875,002	\$ 11,622,797	\$ 4,573,669
Percentage of Total Expenditures:	99.9%	100.0%	100.0%
Personal Services	9,116,272	8,772,128	3,570,538
Other Payroll Costs	1,060,198	1,090,906	251,349
All Other Operating Expenditures	1,698,533	1,759,763	751,781
Total Permanent Improvements Expenditures:	\$ -	\$ -	\$ 35
Percentage of Total Expenditures:	0.0%	0.0%	0.0%
Total Refund Expenditures:	\$ 8,265	\$ -	\$ -
Percentage of Total Expenditures:	0.1%	0.0%	0.0%
GRAND TOTAL - ALL EXPENDITURES:	<u>\$ 11,883,268</u>	<u>\$ 11,622,797</u>	<u>\$ 4,573,703</u>

Note 1: Expenditures were obtained from the Office's records as of September 30, 2021, and September 30, 2020.

Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2021**

Fiscal Year 2021 Compared to Fiscal Year 2020

General Revenue Fund - 001

Cost associated with the Bicentennial Commission, including prior year costs

The decrease of \$50,689 or 100% in Fiscal Year 2021 was due to the Office not receiving an appropriation for cost associated with the Illinois Bicentennial Celebration.

Fiscal Year 2020 Compared to Fiscal Year 2019

General Revenue Fund - 001

Operational Expenses

The increase of \$4,609,003 in Fiscal Year 2020 was due to the increase in personnel costs related to the end of “offshoring,” which involved placing Office employees on other agencies’ payroll. All of the positions that would have been “offshored” were brought on as full time Office employees.

Cost associated with the Bicentennial Commission, including prior year costs

The increase of \$50,689 or 100% in Fiscal Year 2020 was due to the Office receiving a first-time appropriation for cost associated with the Illinois Bicentennial Celebration, including prior year costs.

Governor’s Administrative Fund - 926

Lump Sums and Other Purposes

The increase of \$468,111 or 100% in Fiscal Year 2020 was due to the Office of the Governor (Office) receiving an appropriation for general administrative and operational costs of the Governor’s Office out of the newly established Governor’s Administrative Fund.

Governor’s Grant Fund - 947

Governor’s Grant Fund

The increase of \$1,927,199 or 100% in Fiscal Year 2020 was due to the Office of the Governor (Office) receiving Federal grant pass through funds for Early Childhood Education.

As further described in the *Independent Accountant’s Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the (Two) Year(s) Ended June 30, 2021**

Fiscal Year 2021

The Office of the Governor did not have any significant Lapse Period spending.

Fiscal Year 2020

Governor's Administrative Fund - 926

For Duties of the Office

The significant Lapse Period spending was primarily due to the Office of the Governor processing a large legal services invoice for services provided in May and June of 2020. The vendor invoice was unable to be processed fully until lapse period due to the Office working remotely at the time during the COVID-19 pandemic.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND DEPOSITS INTO THE STATE TREASURY**

For the Fiscal Year Ended June 30,

	2021	2020	2019
STATE TREASURY FUNDS			
General Revenue Fund - 001			
Receipt Sources:			
Miscellaneous	\$ -	\$ -	\$ 7,796
Prior Year Refund	38	-	-
Total Receipts, per the Agency's Records	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ 7,796</u>
Receipts, per the Agency's Records	\$ 38	\$ -	\$ 7,796
Deposits in Transit, Beginning of the Fiscal Year	-	7,796	17
Deposits in Transit, End of the Fiscal Year	-		7,796
Deposits, Recorded by the State Comptroller	<u>\$ 38</u>	<u>\$ 7,796</u>	<u>\$ 17</u>
ILLINOIS EXECUTIVE MANSION TRUST FUND - 296			
Receipt Sources:			
Executive Mansion	\$ 800	\$ 9,450	\$ 5,375
Total Receipts, per the Agency's Records	<u>\$ 800</u>	<u>\$ 9,450</u>	<u>\$ 5,375</u>
Receipts, per the Agency's Records	\$ 800	\$ 9,450	\$ 5,375
Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits in Transit, End of the Fiscal Year	-	-	5,375
Deposits, Recorded by the State Comptroller	<u>\$ 800</u>	<u>\$ 9,450</u>	<u>\$ -</u>
GOVERNOR'S ADMINISTRATIVE - 926			
Receipt Sources:			
University of Illinois	\$ 9,561	\$ -	\$ -
Prior Year Refund	84	-	-
Total Receipts, per the Agency's Records	<u>\$ 9,645</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts, per the Agency's Records	\$ 9,645	\$ -	\$ -
Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits in Transit, End of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 9,645</u>	<u>\$ -</u>	<u>\$ -</u>

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND DEPOSITS INTO THE STATE TREASURY**

For the Fiscal Year Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
GOVERNOR'S GRANT - 947			
Receipt Sources:			
Private Organization of Individual	\$ 116,500	\$ -	\$ -
Total Receipts, per the Agency's Records	<u>\$ 116,500</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts, per the Agency's Records	\$ 116,500	\$ -	\$ -
Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits in Transit, End of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 116,500</u>	<u>\$ -</u>	<u>\$ -</u>
GRAND TOTAL - ALL FUNDS			
Receipts, per the Agency's Records	\$ 126,983	\$ 9,450	\$ 13,171
Deposits in Transit, Beginning of the Fiscal Year	-	7,796	17
Deposits in Transit, End of the Fiscal Year	-	-	13,171
Deposits, Recorded by the State Comptroller	<u>\$ 126,983</u>	<u>\$ 17,246</u>	<u>\$ 17</u>

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2021**

Fiscal Year 2021 Compared to Fiscal Year 2020

ILLINOIS EXECUTIVE MANSION TRUST FUND - 296

The \$8,650 decrease in Executive Mansion receipts in Fiscal Year 2021 was due to the decrease in event rentals during the COVID-19 Pandemic.

GOVERNOR'S ADMINISTRATIVE FUND – 926

The \$9,561 increase in University of Illinois receipts during Fiscal Year 2021 was due to the University of Illinois subleasing office space in the Office of the Governor's Washington, DC Office.

GOVERNOR'S GRANT FUND – 947

The \$116,500 increase in Private Organization or Individual receipts during Fiscal Year 2021 was due to the receipt of Federal pass through grant funds for the Governor's Office of Early Childhood Development, which did not receive any receipts during Fiscal Year 2020.

Fiscal Year 2020 Compared to Fiscal Year 2019

GENERAL REVENUE FUND - 001

The \$7,796 decrease in miscellaneous receipts during Fiscal Year 2020 was due to a one-time vendor payment deposited in Fiscal Year 2019.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF CHANGES IN PROPERTY
For the Two Years Ended June 30, 2021**

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
FISCAL YEAR 2020					
Property					
Land and Land Improvements	\$ 41,100	\$ -	\$ -	\$ -	\$ 41,100
Buildings and Building Improvements	28,858,661	-	25,230	-	\$ 28,833,431
Equipment	1,145,230	-	355,464	-	\$ 789,766
Total	<u>\$ 30,044,991</u>	<u>\$ -</u>	<u>\$ 380,694</u>	<u>\$ -</u>	<u>\$ 29,664,297</u>
Capital Leases					
Equipment	28,362	-	-	-	\$ 28,362
Total	<u>\$ 28,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,362</u>

Note 1: These balances were obtained from the Office of the Governor's records for the year ended June 30, 2020.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SCHEDULE OF CHANGES IN PROPERTY
For the Two Years Ended June 30, 2021**

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
FISCAL YEAR 2021					
Property					
Land and Land Improvements	\$ 41,100	\$ -	\$ -	\$ -	\$ 41,100
Buildings and Building Improvements	28,833,431	-	2,012	-	\$ 28,831,419
Equipment	789,765	27,045	218,593	-	\$ 598,217
Total	<u>\$ 29,664,296</u>	<u>\$ 27,045</u>	<u>\$ 220,605</u>	<u>\$ -</u>	<u>\$ 29,470,736</u>
Capital Leases					
Equipment	28,362	-	-	-	\$ 28,362
Total	<u>\$ 28,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,362</u>

Note 1: These balances were obtained from the Office of the Governor's records for the year ended June 30, 2021.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2021

FUNCTIONS

The Honorable J.B. Pritzker is the current Governor and was sworn into office as the 43rd Governor of the State of Illinois on January 14, 2019.

The Governor is the Chief Executive Officer of the State of Illinois. His official duties are set forth in Section 8 through 13 of Article V of the Illinois Constitution and in numerous statutory provisions. Section 8 provides that “the Governor shall have supreme executive power and shall be responsible for the faithful execution of the laws” of the State.

The Governor maintains direct supervision over the operation of State agencies, authorities, code departments, boards, commissions, councils, and the Governor’s Office of Management and Budget. The Governor negotiates legislative issues and State affairs with other elected Constitutional Officers of the Executive Branch of the State of Illinois, members of the General Assembly of Illinois, the National Administration of Governors, and other governors.

Chief of Staff

The Chief of Staff oversees the following departments within the Governor’s Office: Legislative Affairs, Policy, Communications, External Affairs, Deputy Governors, Chief Operating Officer, Senior Advisor, Legal, Federal Affairs, and Executive Appointments. The heads of those departments report directly to the Chief of Staff, who coordinates and reports to the Governor on their work.

General Counsel

The General Counsel’s Office manages legal issues for the Governor and the Governor’s Office. This office performs administrative work for the State which includes, but is not limited to, the following areas: drafting legal documents and contracts; overseeing all legal matters under the Governor’s responsibilities; and advising the Governor and Chief of Staff on legal issues. The legal department ensures the Office of the Governor maintains compliancy with all ethics laws.

Chief Operating Officer

The Chief Operating Officer (COO) oversees Personnel, Fiscal Operations, and Operations.

Personnel Department oversees matters involving employees such as hiring, training, labor relations, payroll, payroll transactions and benefits.

Operations oversees the day-to-day operations of the Office of the Governor. This department coordinates and manages the daily operations, scheduling, and movement of the Governor. This unit also prepares all documentation necessary to maintaining the property of the Office.

As further described in the *Independent Accountant’s Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2021

Fiscal Operations oversees the day-to-day fiscal operations of the Office of the Governor. The employees in this department are responsible for overseeing the internal office budget, managing all agency expenditures, authorizing payments through the Comptroller's Office, ensuring all financial transactions are adequately documented and appropriately recorded, and corresponding internal controls are followed.

Legislative Affairs

The Legislative Affairs department represents the Governor's administration in proceedings before the Illinois General Assembly and manages legislative affairs for the Governor's Office and all State agencies that report to the Governor. This department works with members of the General Assembly, other State Constitutional Officers, and their staffs to advance the Governor's legislative agenda. This department also monitors legislation as it moves through the General Assembly.

Policy

The Policy department is involved in policy development and acts as a liaison with departments and agencies. This department works closely with other units in the Governor's Office that are responsible for legislation. This department meets with State agencies regularly to get updates on each agency's goals and missions, so they can be communicated with the Chief of Staff and the Governor. This department also handles constituent issues through the Governor's Office of Constituent Affairs (GOCA).

Federal Affairs

Federal Affairs is in Washington D. C. and is the only department located outside of Illinois. This department is led by the Director of Federal Affairs, who maintains relationships with elected Federal officials. The main function of this department is to act as a liaison between the State and the Federal legislature. The Director of Federal Affairs reports to the Chief of Staff on new Federal legislation and grants that will affect the State of Illinois.

Communications

Communications develops and implements the Governor's communications strategy and serves as the point of contact for media seeking information about the Governor and the Governor's programs and policies. The department works directly with the Governor and other departments to discuss scheduling and opportunities for the Governor to meet with the people of Illinois through interviews and media appearances. This department also works in conjunction with the Governor's Office of Constituent Affairs (GOCA) on constituent issues.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2021**

External Affairs

It is the goal of the Office of the Governor to be aware of all issues and concerns faced by citizens of Illinois in their communities. The External Affairs department meets with community leaders, citizens, and organizations in these communities regularly to discuss concerns; and assess how the Governor can become more involved in issues being faced by his constituents. The External Affairs department also houses the Advance department, which organizes each of the Governor's events and plans out the Governor's travel. Through three Government Affairs managers, this department also acts as a liaison between the Governor's Office and municipal governments around the State. These managers regularly meet with mayors and city officials to discuss the effect of State legislation on cities and counties. External Affairs works directly with the Governor on policies that would affect local governments and briefs the Governor and Chief of Staff on local government issues throughout the State.

Governor's Office of Constituent Affairs (GOCA)

The GOCA office responds to correspondence sent to the Governor to address key issues that are important to the citizens of the State. The GOCA office ensures State government takes responsibility for providing citizens the services they rightfully deserve by connecting constituents to crucial State services and programs.

Executive Appointments

The Executive Appointments department is responsible for identifying and appointing suitable candidates for appointments under the jurisdiction of the Governor. The Executive Appointments department maintains all appointment documentation for State government boards and commissions under the purview of executive appointment power. The department uses a selection process to identify individuals to serve on boards that advise, advocate, and/or regulate issues across a broad range of programs and services that address the concerns of individuals and groups. This department also works closely with the General Counsel's Office to ensure that all statutory requirements for these appointments are met.

Deputy Governors

Each Deputy Governor oversees a block of related state agencies and departments to track their progress on goals that the Governor wants those entities to meet. Deputy Governors also ensure that the agency and department directors are all cooperating with each other whenever and wherever needed. These teams work closely with other units in the Governor's Office that are responsible for policy development. Deputy Governors meet with State agencies and universities regularly to get updates on each agency's goals; updates are then communicated with the Chief of Staff and the Governor.

Budget and Economy: Deputy Governor oversight to include budget, revenue, and economic development issues.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2021**

Education Deputy Governor oversight to include education-related issues.

Health and Human Services Deputy Governor oversight to include human service agencies.

Public Safety and Transportation- Deputy Governor oversight to include infrastructure-related issues.

Senior Advisor to the Governor

The Senior Advisor oversees projects and initiatives in the Governor's Office. The Senior Advisor's portfolio oversees technology and innovation, as well as legislative initiatives. The Senior Advisor team works closely with the Department of Innovation and Technology (DoIT). This department meets with DoIT and relevant project stakeholders regularly to get updates on goals and missions, so they can be communicated with the Chief of Staff and the Governor.

The Senior Advisor for Cannabis Control oversees efforts to legalize adult use cannabis in Illinois. While promoting equity and investing in the communities that suffered through the war on drugs, serving as a model for the legalization and decriminalization of cannabis. The Senior Advisor's position also works closely with stakeholders around Illinois as well as State agencies to ensure that Illinois' cannabis legalization continues to be at the forefront of equity, safety and social justice nationally.

PLANNING PROGRAM

The Office of the Governor's formal planning program for operations practices include both long-term and short-term planning on a continuing basis. Long term planning involves discussions with agencies and governmental units that fall under the jurisdiction of the Governor and with members of the legislature. Short term planning occurs in the annual budget process during which the Office functions in a review and advisory capacity to the Governor's Office of Management and Budget.

Deputy Governors and Policy Advisors work directly with the governmental units subject to the Governor's jurisdiction. They serve as the Governor's liaisons and deal with specific operating problems, resource allocations and policy objectives and alternatives. The results and findings of their efforts are prioritized and incorporated into the budgetary process as resources permit.

The budgetary process identifies various programs and issues to be addressed by fiscal period and identifies more routine State government operating considerations. The result of this process is a formal program of objectives to be accomplished, which is subject to monitoring and revision throughout each fiscal period.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2021

SIGNIFICANT OPERATIONAL CHALLENGES

Like nearly all businesses and governments, the Office of the Governor experienced significant operational challenges while responding to the unprecedented and ongoing Global COVID-19 Pandemic. During this time, the Office kept the State of Illinois running by implementing a work from home strategy for most state government Agencies with only essential employees reporting to the office. The Office worked around the clock to lead the public health mitigation response, procure personal protective equipment, scale up mass testing, implement contact tracing and lead vaccine distribution. The Office responded to the Global Pandemic by using science-based approaches to keep residents safe and fight the spread of the COVID-19 virus.

During the COVID-19 Pandemic nearly all staff in the Office were moved from their normal duties to assist with the Pandemic response, which meant that some items from the prior audit period were not able to be addressed. These include cybersecurity risk assessments for services provided by DoIT, preventative vehicle maintenance, timely receipt deposits and accounts payable processes. The Office now has plans in place to address each of those issues and is working to improve these processes to avoid these findings going forward.

Despite numerous operational challenges faced in facilitating gubernatorial appointments including difficulty in notarization of documents (remote notary process was utilized when possible), delays in mail delivery, office closures, and candidate/appointee availability, along with other logistical hurdles, the Office was able to fill more vacancies at boards and commissions than the previous audit period.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
NUMBER OF EMPLOYEES
For the Fiscal Year Ended June 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>AVERAGE FULL-TIME EMPLOYEES</u>			
Executive Office	101	95	91
Governor's Office of Early Childhood Development	<u>6</u>	<u>7</u>	<u>-</u>
Total Full-Time Equivalent Employees	<u>107</u>	<u>102</u>	<u>91</u>

Note 1: This schedule presents the average number of employees, by function, at the Office.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
ANALYSIS OF OVERTIME AND COMPENSATORY TIME
For the Fiscal Year Ended June 30**

	2021	2020	2019
OPERATIONAL DIVISION			
Executive Office			
Overtime Hours Paid	360	1,565	134
Compensatory Hours Granted	13,762	24,973	14,774
Total	<u>14,122</u>	<u>26,538</u>	<u>14,908</u>
Value of Overtime Hours Paid	\$ 9,460	\$ 28,621	\$ 2,627
Value of Compensatory Hours Granted	817,985	1,375,353	949,302
Total Costs	<u>\$ 827,445</u>	<u>\$ 1,403,974</u>	<u>\$ 951,929</u>
GRAND TOTAL - ENTIRE OFFICE			
Overtime Hours Paid	360	1,565	134
Compensatory Hours Granted	13,762	24,973	14,774
Total	<u>14,122</u>	<u>26,538</u>	<u>14,908</u>
Value of Overtime Hours Paid	\$ 9,460	\$ 28,621	\$ 2,627
Value of Compensatory Hours Granted	817,985	1,375,353	949,302
Total Costs	<u>\$ 827,445</u>	<u>\$ 1,403,974</u>	<u>\$ 951,929</u>

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.