



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**ILLINOIS COMMERCE COMMISSION**

State Compliance Examination  
 For the Two Years Ended June 30, 2023

Release Date: April 25, 2024

FINDINGS THIS AUDIT: 10	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	1	2	2013		23-03	
Category 2:	2	6	8	2015		23-06	
Category 3:	0	0	0	2019	23-02	23-04, 23-05	
TOTAL	3	7	10	2021		23-08, 23-09	
FINDINGS LAST AUDIT: 9							

**SYNOPSIS**

- (23-01) The Commission’s internal controls over its voucher processing function were not operating effectively during the examination period.
- (23-02) The Commission did not exercise adequate controls over receipts.
- (23-03) The Commission lacked adequate control over its accounts receivable.

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

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

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

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**VOUCHER PROCESSING INTERNAL CONTROLS  
NOT OPERATING EFFECTIVELY**

The Illinois Commerce Commission's (Commission) internal controls over its voucher processing function were not operating effectively during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning System (ERP) operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Commission to determine whether certain key attributes were properly entered by the Commission's staff into the ERP. In order to determine the operating effectiveness of the Commission's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's ERP System based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

**Controls not operating effectively**

Our testing noted 8 of 140 (6%) attributes were not properly entered into the ERP System, specifically for attribute 4 pertaining to proper receipt date. Therefore, the Commission's internal controls over voucher processing were not operating effectively.

Due to this condition, we qualified our opinion because we determined the Commission has not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

**Vouchers were not approved timely**

Even given the limitations noted above, we conducted an analysis of the Office's expenditures data for fiscal years 2022 and 2023 to determine compliance with the State Prompt Payment Act and the Illinois Administrative Code. We noted the Commission did not timely approve 357 of 4,942 (7%) vouchers processed during the examination period, totaling \$423,041. We noted these late vouchers were submitted by the Commission to the Comptroller's Office between 1 and 70 days late. (Finding 1, pages 11-12)

We recommended the Commission design and maintain internal controls to provide assurance its data entry of key attributes into ERP is complete and accurate. Further, we recommended the Commission approve proper bills within 30 days of receipt.

**Commission officials agreed**

The Commission agreed with the finding and stated it will review its processes to ensure proper controls over data entry and voucher processing.

**INADEQUATE CONTROLS OVER RECEIPTS**

The Illinois Commerce Commission (Commission) did not exercise adequate controls over receipts.

According to Commission records, the Commission collected total revenues of \$40.4 million and \$29.2 million which were deposited into six funds during Fiscal Years 2022 and 2023, respectively.

**Use of inactive account codes for receipts**

During our review of receipt account codes used by the Commission, we noted three of 43 (7%) receipt account codes have been inactive or not been used since Fiscal Year 2017 and were not requested for deletion.

For 60 receipts tested during the examination period, we noted the following:

**Receipts not properly supported**

- Two (3%) receipts tested, totaling \$75,049, the receipt information (check number) from the Commission's records did not agree with the supporting documentation.
- One (2%) receipt tested, amounting \$2,500, the Receipts Deposit Transmittal (RDT) form was sent to the Office of the Comptroller 33 days after the deposit was made (3 days late).

**Receipt Deposit Transmittal form not filed timely**

During our review of the Commission's Agency Fee Imposition Report (Report) for Fiscal Year 2022 and Fiscal Year 2023 we noted the following:

**Issues noted with Commission's Agency Fee Imposition Report**

- For four of 25 (16%) fees tested, the Report did not contain the statutory or other authority for the imposition of the fees, the funds into which the fees are deposited, the information on the use of the funds, if earmarked, and finally, the degree to which the goals of the program are met.
- The total receipts reported on the Commission's Agency Fee Imposition Report for Fiscal Year 2022 and Fiscal Year 2023 did not agree with the Commission's receipt ledgers. The Fiscal Year 2022 Report was understated by \$209,569 and the Fiscal Year 2023 Report was understated by \$355.
- The Commission did not include solar installer certification fees in the Fiscal Year 2022 Report

which resulted in an understatement of \$21,000. Further, the Commission did not include solar installer certification and miscellaneous Public Utility Fund fees in the Fiscal Year 2023 Report which resulted in an understatement of \$607,000. (Finding 2 pages 13-16) **This finding has been reported since 2019.**

We recommended the Commission establish adequate controls over the receipts process to ensure RDT forms are prepared timely, and accurate and adequate records of receipts are maintained. We also recommended the Commission ensure Fee Imposition Reports accurately report all pertinent activity.

**Commission officials agreed**

The Commission agreed with our finding and stated it will review its processes to ensure proper controls over receipts and related reporting.

**INADEQUATE CONTROLS OVER ACCOUNTS RECEIVABLE**

The Illinois Commerce Commission (Commission) lacked adequate control over its accounts receivable.

As of June 30, 2023, the Commission reported accounts receivable of \$2.9 million (net of estimated uncollectible accounts, totaling \$0.9 million) to the Office of Comptroller.

***Inadequate Collection Attempts***

During testing of 60 accounts receivable, we noted the Commission did not make adequate collection attempts. We noted the following:

**Accounts receivable not referred to the Debt Collection Bureau**

- 17 (28%) of the tested accounts, totaling \$74,672, were over 90 days past due but not referred to the Department of Revenue’s Debt Collection Bureau.

**Accounts receivable not referred to the Comptroller’s Illinois Debt Recovery Offset Portal System**

- 12 (20%) of the tested accounts, totaling \$68,722, were over 90 days past due but not referred to the Comptroller’s Illinois Debt Recovery Offset Portal (IDROP) system.

**Uncollectible accounts not referred for write-off to the Attorney General**

***Uncollectible Accounts Not Referred for Write-Off***

During testing of 60 accounts receivable, we noted 10 (17%) accounts, totaling \$65,847, appeared to be uncollectible; however, the Commission had not referred these accounts to the Office of the Attorney General for certification the debt was uncollectible. (Finding 3 pages 17-18) **This finding has been reported since 2013.**

We recommended the Commission pursue all reasonable and appropriate measures to collect outstanding debts as required by State laws and regulations. Further, we recommended the

Commission report uncollectable amounts to the Attorney General.

**Commission officials agreed**

The Commission agreed with our finding and stated it will continue progress towards disposition of all outstanding debts as required.

**OTHER FINDINGS**

The remaining findings pertain to inadequate controls over personal services, monthly reconciliations, and state vehicles, untimely or non-submission of reports, failure to provide proper notification of impending expiration of licenses and recovery permits, and weaknesses in Cybersecurity programs and practices. We will review the Commission's progress towards the implementation of our recommendations in our next State compliance examination.

**ACCOUNTANT'S OPINION**

The accountants conducted a State compliance examination of the Agency for the two years ended June 30, 2023, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2023-001 and 2023-002. Except for the noncompliance described in these findings, the accountants stated the Agency complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Adelfia LLC.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

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

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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