



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

State Compliance Examination
For the Two Years Ended June 30, 2024

Release Date: July 8, 2025

FINDINGS THIS AUDIT: 17				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	1	1	2022		24-16	
Category 2:	6	10	16	2020		24-6, 24-9, 24-14, 24-15	
Category 3:	0	0	0	2016		24-8	
TOTAL	6	11	17	2012	24-1	24-3, 24-4	
				2010		24-2	
FINDINGS LAST AUDIT: 18				2006		24-7	

SYNOPSIS

- (24-4) The Department did not comply with various statutory mandates.
- (24-5) The Department did not comply with the Energy Transition Act (20 ILCS 730).
- (24-6) The Department's organizational chart contains excessive vacancies and no longer reflects a usable representation of the organizational structure of the Department.

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

NONCOMPLIANCE WITH STATUTORY MANDATES

The Department of Commerce and Economic Opportunity (Department) did not comply with various statutory mandates.

A few issues auditors noted during testing of statutory mandates are as follows:

Website did not contain a comprehensive list of economic benefits

- The Department's official website did not contain a comprehensive list of State, local, and federal economic benefits available to businesses in each of the State's counties and municipalities.

Did not establish a freight rate information service

- The Department did not establish a freight rate information service for U.S. and foreign shippers in cooperation with the Department of Agriculture and the International Trade and Port Promotion Advisory Committee.

Did not create the Clean Water Workforce Pipeline program

- The Department did not create the Clean Water Workforce Pipeline Program.
- The Department did not prepare uniform budgetary forms for use by the local governments of the State, was not a repository for financial reports and statements required by law of local governments of the State, and did not publish financial summaries of those reports and statements. (Finding 4, pages 21-27)
This finding has been reported since 2012.

We recommended the Department seek or allocate resources to comply with its statutory requirements or seek a legislative remedy as appropriate.

Department agreed

The Department agreed with the finding and recommendation.

NONCOMPLIANCE WITH THE ENERGY TRANSITION ACT

The Department did not comply with the Energy Transition Act (Act).

During testing, auditors noted the following:

- The Department did not dedicate at least one-third of the Clean Jobs Workforce Network Program placements to applicants who reside in a geographic area impacted by economic and environmental changes, with priority given to applicants facing barriers to employment.

Scoring mechanism not compliant

- The Department's scoring mechanism for community-based organizations that receive funding from the Department as an Energy Transition Navigator does not specifically prioritize awarding grants to those organizations that have experience serving populations impacted by climate change.

Did not administer the Clean Energy Contractor Incubator Program

- The Department did not administer the Clean Energy Contractor Incubator Program to be delivered through 13 local community-based organizations at designated Hub Sites.

Did not administer the Returning Residents Clean Jobs Training Program

- The Department did not administer the Returning Residents Clean Jobs Training Program (Program) during the engagement period since the Program had yet to begin and grantees were still in the planning phase despite this mandate being in effect since September 15, 2021.
- The Department did not select and approve Program Administrators for the Returning Residents Clean Jobs Training Program.

Clean Energy Primes Contractor Accelerator Program not properly administered

- The Department has not administered the Clean Energy Primes Contractor Accelerator Program through a Primes Program Administrator and Regional Primes Program Leads. The Department did not develop scoring criteria to select contractors for the Clean Energy Primes Contractor Accelerator Program.
- The Department did not hire a Primes Program Administrator for the Clean Energy Primes Contractor Accelerator Program.

Energy Workforce Advisory Council not fully seated

- Nine total vacancies existed on the Energy Workforce Advisory Council out of the 30 required positions (30%) as of June 30, 2024. (Finding 5, pages 28-32)

We recommended the Department develop, administer, and implement all of the required aspects of the Clean Jobs Workforce Network Program, the Clean Energy Primes Contractor Accelerator Program, the Clean Jobs Workforce Program, and the Clean Jobs training program, and all other required aspects of the Act.

Department agreed

The Department agreed with the finding and recommendation.

EXCESSIVE VACANCIES ON THE ORGANIZATIONAL CHART

The Department's organizational chart contains excessive vacancies and no longer reflects a usable representation of the organizational structure of the Department.

395 (50%) of organizational chart's 785 positions are vacant

During the examination, we obtained the Department's most recently compiled organizational chart. For the two years ended June 30, 2024, the Department's organizational chart depicts 785 positions, of which 390 were filled and 395 were vacant (50%).

The Department's headcount, going back approximately 20 years, was highest in Fiscal Year 2004 at 519 employees. During inquiry with Department management during our examination, Department management stated it does not view "vacant" positions on the organizational chart as needed to be filled in a specific time frame. Rather, vacancies on the organizational chart are placeholders for positions that can be filled and are part of the approved headcount. (Finding 6, pages 33-35) **This finding has been reported since 2020.**

We recommended the Department annually evaluate and update its organizational chart to reflect the true reporting lines and programs of the Department.

Department agreed

The Department agreed with the finding and recommendation.

OTHER FINDINGS

The remaining findings are reportedly being given attention by the Department. We will review the Department'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 Department for the two years ended June 30, 2024, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2024-001. Except for the noncompliance described in this finding, the accountants stated the Department complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Sikich CPA LLP.

SIGNED ORIGINAL ON FILE

COURTNEY DZIERWA
Division Director

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

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FRANK J. MAUTINO
Auditor General

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