

**STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
STATE COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2024

**STATE OF ILLINOIS
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**STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

COMMITTEE OFFICIALS

Executive Director	Kim Schultz
Deputy Director	Kevin Kulavic
Staff Analyst III	Elaine Spencer
Office Manager	Crystal Woolard
Support Staff I	Peyton Bernot (Resigned 10/11/22)

GOVERNING COMMITTEE MEMBERS

Senator	Bill Cunningham (Co-Chair)
Representative	Ryan Spain (Co-Chair)
Senator	Cristina Castro
Senator	Donald P. DeWitte
Senator	Dale Fowler
Senator	Napoleon Harris, III
Senator (01/14/25 – Present)	Sally J. Turner
Senator (09/04/18 – 01/13/25)	Sue Rezin
Representative	Eva-Dina Delgado
Representative	Jackie Haas
Representative	Steven Reick
Representative	Curtis J. Tarver, II
Representative	Dave Vella

**STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

COMMITTEE OFFICE

The Committee's administrative office is located at:

700 Stratton Office Building
401 South Spring Street
Springfield, Illinois 62706

JOINT COMMITTEE ON ADMINISTRATIVE RULES

ILLINOIS GENERAL ASSEMBLY

CO-CHAIR:
SEN. BILL CUNNINGHAM

CO-CHAIR:
REP. RYAN SPAIN



700 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
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SEN. CRISTINA CASTRO
SEN. DONALD P. DeWITTE
SEN. DALE FOWLER
SEN. NAPOLEON HARRIS, III
SEN. SALLY J. TURNER
REP. EVA-DINA DELGADO
REP. JACKIE HAAS
REP. STEVEN REICK
REP. CURTIS J. TARVER, II
REP. DAVE VELLA

MANAGEMENT ASSERTION LETTER

October 30, 2025

Honorable Frank J. Mautino
Auditor General
State of Illinois
400 West Monroe, Suite 306
Springfield, Illinois 62704

Auditor General Mautino:

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, Joint Committee on Administrative Rules (Committee). 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 Committee's compliance with the following specified requirements during the two-year period ended June 30, 2024. Based on this evaluation, we assert that during the years ended June 30, 2023, and June 30, 2024, the Committee has materially complied with the specified requirements listed below.

- A. The Committee 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 Committee 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 Committee 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 Committee 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 Committee on behalf of the State or held in trust by the Committee have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

State of Illinois, Joint Committee on Administrative Rules

SIGNED ORIGINAL ON FILE

Kim Schultz, Executive Director

SIGNED ORIGINAL ON FILE

Crystal Woolard, Office Manager

**STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

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, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	2	3
Repeated Findings	2	3
Prior Recommendations Implemented or Not Repeated	1	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2024-001	10	2024/2020	Inadequate Controls over Personal Services	Significant Deficiency and Noncompliance
2024-002	12	2024/2020	Inadequate Controls over Cybersecurity	Significant Deficiency and Noncompliance
Prior Findings Not Repeated				
A	14	2022/2018	Voucher Processing Weaknesses	

**STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Committee personnel at an exit conference on October 22, 2025.

Attending were:

Joint Committee on Administrative Rules

Kim Schultz, Executive Director

Crystal Woolard, Office Manager

Office of the Auditor General

Evan Johnson, Audit Manager

Emily Berger, Audit Supervisor

Raymond Horn, Auditor

Dane Greene, Auditor

The responses to the recommendations were provided by Crystal Woolard, Office Manager, in a correspondence dated October 30, 2025.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Committee
State of Illinois, Joint Committee on Administrative Rules

Report on State Compliance

We have examined compliance by the State of Illinois, Joint Committee on Administrative Rules (Committee) 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, 2024. Management of the Committee is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Committee's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Committee 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 Committee 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 Committee 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 Committee 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 Committee on behalf of the State or held in trust by the Committee 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 Committee complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Committee 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 opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the Committee complied with the specified requirements during the two years ended June 30, 2024, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2024-001 and 2024-002.

The Committee's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Committee'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 Committee 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 Committee's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Committee's compliance with the specified requirements and to test and report on the Committee's internal control in

accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Committee's internal control. Accordingly, we do not express an opinion on the effectiveness of the Committee's internal control.

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 material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2024-001 and 2024-002 that we consider to be significant deficiencies.

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

The Committee's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Committee'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.

SIGNED ORIGINAL ON FILE

COURTNEY DZIERWA, CPA, CISA, CIA
Director of Financial and Compliance Audits

Springfield, Illinois
October 30, 2025

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-001. **FINDING** (Inadequate Controls over Personal Services)

The Joint Committee on Administrative Rules (Committee) did not maintain adequate controls over personal services.

During testing of payroll, we noted:

- For two of four (50%) employees tested, the Committee did not compute employee payroll deductions correctly based on employee payroll documentation. We noted errors in the amounts withheld for the Federal and the State Taxes.

The Statewide Accounting Management System Manual (SAMS) (Procedure 23.10.30) states the Committee is responsible for accurately completing payroll vouchers, including attesting to the accuracy of each employee's gross earnings, deductions, net pay, and other data reported on the payroll voucher.

During testing of Agency Workforce Reports, we noted the following:

- The Committee did not provide an accurate count of its professional employees in its Fiscal Year 2023 Agency Workforce Report.

The State Employment Records Act (5 ILCS 410/10(e)) defines "Professional Employee" as "a person employed to perform employment duties requiring academic training, evidenced by a graduate or advanced degree from an accredited institution of higher education, and who, in the performance of those employment duties, may only engage in active practice of the academic training received when licensed or certified by the State of Illinois."

- The Committee did not report the correct sums for the Caucasian Males and Caucasian Females columns in its Fiscal Year 2023 Agency Workforce Report.

The State Employment Records Act (Act) (5 ILCS 410/5(c)) requires the Committee prepare a report to provide State officials, administrators and the people of the State with information to help guide efforts to achieve a more diversified State workforce, the total number of persons employed within the State work force shall be tabulated in a comprehensive manner to provide meaningful review of the number and percentage of minorities, women, and persons with physical disabilities employed as part of the State workforce.

**STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024**

2024-001. **FINDING** (Inadequate Controls over Personal Services) – Continued

During testing of leave slips, we noted the following:

- Two of 24 (8%) leave slips tested, for 1 of 4 (25%) of employees tested, were submitted 10 and 53 days after the leave occurred.

Per the Committee's Employee Handbook, all leave, except for sick or emergent personal leave, must be scheduled sufficiently in advance with the employee's supervisor.

Committee officials indicated the issues noted above were due to employee error and oversight.

Failure to establish and maintain adequate controls over employee payroll could lead to errors in employee pay. Additionally, failure to include complete and accurate information on the Committee's Agency Workforce Reports could deter efforts by State officials, administrators, and residents to achieve a more diversified State workforce. Lastly, failure to establish and maintain adequate internal controls over attendance increases the risk that errors or other irregularities could occur and not be found within the normal course of operations. (Finding Code No. 2024-001, 2022-002, 2020-002)

RECOMMENDATION

We recommend the Committee strengthen controls over personal services to ensure:

- Federal and State income tax withholdings are accurate;
- Agency Workforce Reports are accurate;
- Leave slips are submitted in accordance with Committee policy.

COMMITTEE RESPONSE

The Committee accepts the finding.

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-002. **FINDING** (Inadequate Controls over Cybersecurity)

The Joint Committee on Administrative Rules (Committee) did not maintain adequate internal controls related to cybersecurity programs, practices, and control of confidential information.

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 Committee’s cybersecurity programs and practices, we noted the Committee had not:

- Successfully followed through on removing a user who should not be on their Central Payroll System user listing.
- Documented access provisioning procedures and processes.
- Included the following topics in its policy manual:
 - Backups,
 - Encryption,
 - Data classifications to establish the types of information most susceptible to attack to ensure adequate protection,
 - Security of confidential information, and
 - Bring your own device procedures.
- Developed a comprehensive disaster recovery or other contingency plan that considers their environments and systems.

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 (NIST) 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. In addition, the *Contingency Planning Guide for Information Technology Systems* published by the NIST requires entities to have an updated and regularly tested disaster contingency plan to ensure the timely recovery of applications and data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Committee to establish and maintain a system, or systems, of internal fiscal administrative controls to provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law and that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-002. **FINDING** (Inadequate Controls over Cybersecurity) – Continued

of accounts and reliable financial and statistical reports to maintain accountability over the State’s resources.

Committee management indicated the exceptions above were due to oversight.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities, which could ultimately lead to the Committee’s confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2024-002, 2022-003, 2020-003)

RECOMMENDATION

We recommend the Committee strengthen its internal controls over its information systems. Specifically, we recommend the Committee:

- Conduct periodic, at least annual, reviews of user access to Committee applications;
- Document access provisioning procedures and processes;
- Update its policy manual to adequately address the indicated topics; and,
- Establish and test a comprehensive Disaster Recovery Plan for all aspects of its network environment.

COMMITTEE RESPONSE

The Committee accepts the finding.

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2024

A. **FINDING** (Voucher Processing Weaknesses)

During the prior examination, the Committee did not exercise adequate control over voucher processing.

During the current examination, the results of our sample testing indicated that the Committee materially complied with voucher processing requirements. (Finding Code No. 2022-001, 2020-001, 2018-001)