



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS RACING BOARD

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

Release Date: April 29, 2025

FINDINGS THIS AUDIT: 7				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	0	1	2022		2, 3, 4, 7	
Category 2:	0	5	5	2020		5	6
Category 3:	0	1	1				
TOTAL	1	6	7				
FINDINGS LAST AUDIT: 14							

SYNOPSIS

- (24-01) The Illinois Racing Board's (Board) internal controls over its receipt processing function were not operating effectively during the examination period.
- (24-03) The Board did not maintain adequate controls over performance evaluations, timekeeping, and training.

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

RECEIPT PROCESSING INTERNAL CONTROLS NOT OPERATING EFFECTIVELY

The Illinois Racing Board's (Board) internal controls over its receipt 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, we were able to limit our receipt testing at the Board to determine whether certain key attributes (attributes) were properly entered by the Board's staff into the ERP. In order to determine the operating effectiveness of the Board's internal controls related to receipt processing, we selected a sample of attributes to determine if the attributes were properly entered into ERP based on supporting documentation. The attributes tested were (1) amount, (2) fund being deposited into, (3) date of receipt, (4) date deposited, and (5) SAMS Source Code.

**28 of 140 (20%) receipt attributes
tested were not properly entered into
ERP**

Our testing noted 28 of 140 (20%) attributes were not properly entered into ERP. Therefore, the Board's internal controls over receipts processing were not operating effectively.

**The Board's receipt data did not
document the date on which the
payment was received for 36 of 9,719
(0.4%) receipts**

Even given the limitations noted above, we conducted an analysis of the Board's receipts data for fiscal years 2023 and 2024 to determine compliance with the Act. We noted the Board's receipts data did not document the date on which the payment was received for 36 of 9,719 (0.4%) receipts. As such, we were unable to determine if the Board deposited the receipts timely. (Finding 1, pages 10-11)

We recommended the Board design and maintain internal controls to provide assurance its data entry of attributes into ERP is complete and accurate.

The Board accepts

The Board accepted the recommendation.

INADEQUATE CONTROLS OVER PERSONAL SERVICES

The Illinois Racing Board's (Board) did not maintain adequate controls over performance evaluations, timekeeping, and training.

- We tested twelve performance evaluations for nine employees, noting:
 - Five (42%) performance evaluations were not completed timely by the Board. The employee evaluations were completed between 43 and 170 days late.

**Performance evaluations were not
completed timely**

Performance evaluations were not completed

- Two (17%) performance evaluations were not completed.

For 2 of 9 (22%) employees, sexual harassment training was not completed within 30 days of commencing employment

- We tested training records for nine employees noting:
 - Two (22%) employees failed to complete the required sexual harassment prevention training within 30 days of commencing employment. One employee completed the training 12 days late and the other failed to complete the training.
 - One (11%) employee failed to complete the required initial ethics training within 30 days of commencing employment.
 - Two (22%) employees failed to complete the annual ethics and sexual harassment training for one calendar year during the examination period.
 - Two (22%) employees failed to complete the Department of Innovation and Technology (DoIT) annual cybersecurity training for one calendar year during the examination period.

Two of 9 (22%) employees tested failed to completed annual ethics and sexual harassment training for one calendar year under examination

Six of 16 (38%) monthly timekeeping reports were not signed by the employees' supervisor

- We tested sixteen monthly timekeeping reports for eight per diem employees' Monthly Timekeeping Reports, noting:
 - One (6%) timekeeping report was not timely provided to the employee for review. The report was provided 30 days late.
 - Two (13%) timekeeping reports were reviewed by the employees between eight and 11 days late.
 - Six (38%) timekeeping reports were not signed by the employees' supervisor.
 - Three (19%) timekeeping reports were not reviewed by the employees' supervisor within 14 days of submission. The timesheets were reviewed between one and 13 days late. (Finding 3, pages 14-16)

We recommended the Board strengthen its internal controls to enforce its policies concerning timely completion of employee performance evaluations and mandatory trainings, and monitoring and review of employee's time reporting to ensure time reports are reviewed and approved timely.

The Board partially accepted

The Board partially accepted the recommendation.

OTHER FINDINGS

The remaining findings pertain to controls over cybersecurity programs and practices, controls over service providers, annual reporting requirements, Board composition, and controls over State vehicles. We will review the Board'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 Board 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 Board complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by West & Company, LLC.

SIGNED ORIGINAL ON FILE

COURTNEY DZIERWA
Division Director

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

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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