

State Employees' Retirement System of the State of Illinois

Compliance Examination of Census Data – Employer Pensions

For the Year Ended June 30, 2024
Performed as Special Assistant Auditors for
the Auditor General, State of Illinois

**State Employees' Retirement System
of the State of Illinois
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

	Page(s)
Table of Contents	
State of Illinois, Office of the Secretary of State	
Agency Officials	1
Management Assertion Letter	2
Compliance Report Summary	4
Independent Accountant's Report on Compliance and on Internal Control Over Compliance	5
Schedule of Findings	
Prior Finding Not Repeated	8
State of Illinois, Department of Children and Family Services	
Department Officials	9
Management Assertion Letter	10
Compliance Report Summary	12
Independent Accountant's Report on Compliance and on Internal Control Over Compliance	13
Schedule of Findings	
Prior Finding Not Repeated	16
State of Illinois, Department of Human Services	
Department Officials	17
Management Assertion Letter	18
Compliance Report Summary	20
Independent Accountant's Report on Compliance and on Internal Control Over Compliance	21
Schedule of Findings	
Prior Finding Not Repeated	24
State of Illinois, Department of Lottery	
Department Officials and Lottery Control Board Members	25
Management Assertion Letter	26
Compliance Report Summary	28
Independent Accountant's Report on Compliance and on Internal Control Over Compliance	29
Schedule of Findings	
Current Finding – Compliance	32
State of Illinois, Department of Healthcare and Family Services	
Department Officials and Division Administrators	34
Management Assertion Letter	36
Compliance Report Summary	38
Independent Accountant's Report on Compliance and on Internal Control Over Compliance	39
Schedule of Findings	
Current Finding – Compliance	42
State of Illinois, Department of Revenue	
Department Officials	44
Management Assertion Letter	45
Compliance Report Summary	47
Independent Accountant's Report on Compliance and on Internal Control Over Compliance	48

**State Employees' Retirement System
of the State of Illinois
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

	Page(s)
Table of Contents	
State of Illinois, Capital Development Board	
Board Officials and Governing Board Members	51
Management Assertion Letter	52
Compliance Report Summary	54
Independent Accountant's Report on Compliance and on Internal Control Over Compliance	55
State of Illinois, Environmental Protection Agency, Fund 270 – Water Revolving Fund	
Agency Officials	58
Management Assertion Letter	59
Compliance Report Summary	61
Independent Accountant's Report on Compliance and on Internal Control Over Compliance	62
Illinois State Board of Education	
Agency Officials and Governing Board	65
Management Assertion Letter	67
Compliance Report Summary	69
Independent Accountant's Report on Compliance and on Internal Control Over Compliance	70
Illinois Student Assistance Commission	
Commission Officials and Governing Board Members	73
Management Assertion Letter	74
Compliance Report Summary	76
Independent Accountant's Report on Compliance and on Internal Control Over Compliance	77
Illinois Workers' Compensation Commission, Self-Insurers Security Fund	
Commission Officials and Self-Insurers Advisory Board Members	80
Management Assertion Letter	81
Compliance Report Summary	83
Independent Accountant's Report on Compliance and on Internal Control Over Compliance	84
Schedule of Findings	
Current Finding – Compliance	87
Illinois State Toll Highway Authority	
Authority Officials, Board Officers, and Board Members	89
Management Assertion Letter	90
Compliance Report Summary	92
Independent Accountant's Report on Compliance and on Internal Control Over Compliance	93
State of Illinois, Illinois State Police	
Officials, Board Officers, and Board Members	96
Management Assertion Letter	98
Compliance Report Summary	100
Independent Accountant's Report on Compliance and on Internal Control Over Compliance	101

State of Illinois, Office of the Secretary of State

**State of Illinois
Office of the Secretary of State
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Agency Officials

Secretary of State	The Honorable Alexi Giannoulis
Deputy Secretary of State	Ms. Hanah Jubeh
Deputy Secretary of State	Mr. Scott Burnham
Director of Internal Audit	Ms. Stell Mallios
General Counsel	Mr. Rob Gamrath
Inspector General	Mr. Paul Thompson
Director of Budget and Fiscal Management/Chief Fiscal Officer	Ms. Amanda Trimmer
Director of Accounting Revenue	Ms. Dana Homer

Agency Offices

The Agency's primary administrative offices are located at:

Howlett Building
501 S 2nd St.
Springfield, Illinois 62756

Capitol Building
401 S. 2nd St., Room 213
Springfield, Illinois 62701

Chicago Location
115 S. LaSalle St., Suite 300
Chicago, Illinois 60601



OFFICE OF THE SECRETARY OF STATE

ALEXI GIANNOULIAS ● Secretary of State

MANAGEMENT ASSERTION LETTER

May 21, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the State of Illinois, Office of the Secretary of State (Office) and reporting their significant elements of census data and related employer contributions within the State Employees' Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Office's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Office has materially complied with the specified requirements listed below.

- A. All of the Office's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Office to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,
 - retirement deduction code
- C. The employer contributions remitted by the Office to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Office and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Office of the Illinois Secretary of State

SIGNED ORIGINAL ON FILE

The Honorable Alexi Giannoulias, Secretary of State

SIGNED ORIGINAL ON FILE

Amanda Trimmer, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Rob Gamrath, General Counsel

**State of Illinois
Office of the Secretary of State
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Compliance Report

Summary

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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	Current Report	Prior Report
Findings	0	1
Repeated findings	0	1
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>
Prior Finding Not Repeated			
A.	8	2023/2021	Inaccurate Census Data

Exit Conference

The Office waived an exit conference in correspondence from Amanda Trimmer, Director of Budget and Fiscal Management/Chief Fiscal Officer, on April 29, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Honorable Alexi Giannoulis
Secretary of State
State of Illinois, Office of the Secretary of State

External Auditors
State of Illinois, Office of the Secretary of State

Board of Trustees
State Employees' Retirement System

Mr. Timothy B. Blair
Executive Secretary
State Employees' Retirement System

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the State of Illinois, Office of the Secretary of State (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:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

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. All of the Office's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.

- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Office to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Office to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Office and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 judgment, 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 a legal determination on the Office's compliance with the specified requirements.

In our opinion, the Office complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

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.

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. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

Schaumburg, Illinois
May 21, 2025

**State of Illinois
Office of the Secretary of State
Compliance Examination of Census Data – Employer Pensions
Schedule of Findings**

For the Year Ended June 30, 2024

Prior Finding Not Repeated

A. Inaccurate Census Data

In the prior compliance examination, the Office of the Secretary of State (Office) had certain deficiencies in its internal controls in place to ensure accurate census data was provided to the State Employees' Retirement System of Illinois (System) for use in the applicable annual actuarial valuations.

During the current compliance examination, we did not detect any errors in our testing which would indicate noncompliance or inadequate controls over the census data that is provided to the System for use in the annual actuarial valuation process. As a result, this finding is not repeated. (Finding Code No. 2023-001, 2022-001, 2021-001)

State of Illinois, Department of Children and Family Services

**State of Illinois
Department of Children and Family Services
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Department Officials

Director	Heidi E. Mueller (March 22, 2024 – present) Heidi E. Mueller (Acting) (February 1, 2024 – March 21, 2024) Marc D. Smith (June 15, 2021 – January 31, 2024)
Executive Deputy Director ¹	Tierney Colson Stutz (September 5, 2023 – present) Tierney Colson Stutz (Acting) (March 6, 2023 – September 4, 2023)
Chief of Staff ²	Jacquelyn Dortch (December 16, 2024 – present) Vacant (October 19, 2024 - December 15, 2024) Jassen Strokosch (July 16, 2020 – October 18, 2024)
Chief Financial Officer	Kiersten Neswick (February 16, 2022 – present)
General Counsel	Brian Dougherty (March 13, 2023 – present)
Chief Internal Auditor	Phillip Dasso (January 4, 2021 – present)
Assistant Director of Youth and Families in Care	Timothy Snowden (December 6, 2024 – present)
Assistant Director of Prevention, Child Protection and SCR	Tierney Colson Stutz (December 6, 2024 – present)
Assistant Director of Strategy, Performance and Innovation	Julie Barbosa (December 6, 2024 – present)
Chief Operating Officer	Andrew Munemoto (December 16, 2024 – present)

1 – Executive Deputy Director position was split into three positions on December 6, 2024: Assistant Director of Youth and Families in Care; Assistant Director of Prevention, Child Protection and SCR, and; Assistant Director of Strategy, Performance and Innovation.

2 - Chief of Staff position was split into two positions on December 16, 2024: Chief of Staff and Chief Operating Officer.

Administrative Offices

Springfield Office
406 East Monroe
Springfield, Illinois 62701

Chicago Office
60 E. Van Buren St., Suite 1300
Chicago, Illinois 60605

MANAGEMENT ASSERTION LETTER

May 21, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the State of Illinois, Department of Children and Family Services (Department) and reporting their significant elements of census data and related employer contributions within the State Employees' Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Department's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Department has materially complied with the specified requirements listed below.

- A. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Department to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,
 - retirement deduction code
- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Department and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Department of Children and Family Services

SIGNED ORIGINAL ON FILE


Heidi E. Mueller, Director

SIGNED ORIGINAL ON FILE


Kiersten Neswick, Chief Financial Officer

SIGNED ORIGINAL ON FILE


Brian Dougherty, General Counsel

**State of Illinois
Department of Children and Family Services
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Compliance Report

Summary

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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	Current Report	Prior Report
Findings	0	1
Repeated findings	0	1
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>
Prior Finding Not Repeated			
A.	16	2023/2022	Inaccurate Census Data

Exit Conference

The Department waived an exit conference in correspondence from Clayton Murphy, Audit Liaison, on April 29, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Heidi E. Mueller
Director
State of Illinois, Department of Children and Family Services

External Auditors
State of Illinois, Department of Children and Family Services

Board of Trustees
State Employees' Retirement System

Mr. Timothy B. Blair
Executive Secretary
State Employees' Retirement System

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the State of Illinois, Department of Children and Family Services (Department) 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:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.

- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Department to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Department and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 a legal determination on the Department's compliance with the specified requirements.

In our opinion, the Department complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

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 Department 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 Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements and to test and report on the Department's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

Schaumburg, Illinois
May 21, 2025

**State of Illinois
Department of Children and Family Services
Compliance Examination of Census Data – Employer Pensions
Schedule of Findings**

For the Year Ended June 30, 2024

Prior Finding Not Repeated

A. Inaccurate Census Data

In the prior compliance examination, the Department of Children and Family Services (Department) had certain deficiencies in its internal controls in place to ensure accurate census data was provided to the State Employees' Retirement System of Illinois (System) for use in the applicable annual actuarial valuations.

During the current compliance examination, we did not detect any errors in our testing which would indicate noncompliance or inadequate controls over the census data that is provided to the System for use in the annual actuarial valuation process. As a result, this finding is not repeated. (Finding Code No. 2023-001, 2022-001)

State of Illinois, Department of Human Services

**State of Illinois
Department of Human Services
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Department Officials

Secretary	Dulce Quintero (10/9/2023 – Present) Grace B. Hou (3/18/2019 – 10/8/2023)
Assistant Secretary (Operations)	Ryan Thomas (10/9/2023 – Present) Dulce Quintero (5/6/2019 – 10/8/2023)
Assistant Secretary (Programs)	John Schomberg, Designate (1/21/2025-Present) Vacant (9/14/2024-1/20/2025) Kirstin Chernawsky (5/1/2024-9/13-2024) Vacant (through 4/30/2024)
Budget Director	Adam Morrow (9/16/2024 – Present) Tiffany Blair (through 9/15/2024)
Business Services Director	Paul Hartman
Chief of Staff	Tiffany Blair (9/16/2024 – Present) Amanda Elliott (12/24/2022 – 9/15/2024)
Chief Financial Officer	Joseph Wellbaum (1/1/2025-Present) Robert Brock (through 12/31/2024)
Chief Operating Officer	Stacy Howlett (2/1/2024 – Present) Vacant (1/1/2024 – 1/31/2024) Francisco DuPrey (4/29/2019 – 12/31/2023)
Chief Internal Auditor	Amy Macklin
General Counsel	Amy Crawford (4/1/2025-Present) Rob Grindle, Interim (1/21/2025-6/30/2025) – Interim until 6/30/2025 to assist in onboarding new GC John Schomberg (through 1/20/2025)
Inspector General	Charles Wright (8/17/2023 – Present) Peter Neumer (through 8/16/2023)

Department Offices

Springfield Office
100 South Grand Avenue, East
Springfield, Illinois 62726

Chicago Office
401 South Clinton Street
Chicago, Illinois 60607



JB Pritzker, Governor

Dulce M. Quintero, Secretary

100 South Grand Avenue, East • Springfield, Illinois 62762
401 South Clinton Street • Chicago, Illinois 60607

MANAGEMENT ASSERTION LETTER

May 21, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

All:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the State of Illinois, Department of Human Services (Department) and reporting their significant elements of census data and related employer contributions within the State Employees' Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Department's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Department has materially complied with the specified requirements listed below.

- A. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Department to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,
 - retirement deduction code
- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Department and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Department of Human Services

SIGNED ORIGINAL ON FILE

Dulce M. Quintero, Secretary

SIGNED ORIGINAL ON FILE

Joseph Wellbaum, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Amy Crawford, General Counsel

**State of Illinois
Department of Human Services
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Compliance Report

Summary

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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	Current Report	Prior Report
Findings	0	1
Repeated findings	0	1
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>
Prior Finding Not Repeated			
A.	24	2023/2022	Inaccurate Census Data

Exit Conference

The Department waived an exit conference in correspondence from Christopher Finley, Internal Auditor and Audit Liaison, on April 28, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Dulce Quintero
Secretary
State of Illinois, Department of Human Services

External Auditors
State of Illinois, Department of Human Services

Board of Trustees
State Employees' Retirement System

Mr. Timothy B. Blair
Executive Secretary
State Employees' Retirement System

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the State of Illinois, Department of Human Services (Department) 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:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.

- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Department to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Department and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 a legal determination on the Department's compliance with the specified requirements.

In our opinion, the Department complied with the specified requirements, in all material respects, during:

- 1. the census data accumulation year for the System ended June 30, 2024, and
- 2. the proportionate share allocation year for the System ended June 30, 2024.

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 Department 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 Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements and to test and report on the Department's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

Schaumburg, Illinois
May 21, 2025

**State of Illinois
Department of Human Services
Compliance Examination of Census Data – Employer Pensions
Schedule of Findings**

For the Year Ended June 30, 2024

Prior Finding Not Repeated

A. Inaccurate Census Data

In the prior compliance examination, the Department of Human Services (Department) had certain deficiencies in its internal controls in place to ensure accurate census data was provided to the State Employees' Retirement System of Illinois (System) for use in the applicable annual actuarial valuations.

During the current compliance examination, we did not detect any errors in our testing which would indicate noncompliance or inadequate controls over the census data that is provided to the System for use in the annual actuarial valuation process. As a result, this finding is not repeated. (Finding Code No. 2023-001, 2022-001)

State of Illinois, Department of Lottery

**State of Illinois
Department of the Lottery
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Department Officials

Director	Mr. Harold Mays
Chief of Staff	Mr. Scott Gillard
Chief Financial Officer (03/25/24 – Present)	Ms. Amber Chappell
Chief Financial Officer (Acting) (10/07/23 – 03/24/24)	Ms. Amber Chappell
Chief Financial Officer (10/01/23 – 10/06/23)	Vacant
Chief Financial Officer (07/01/22 – 09/30/23)	Ms. Carol Radwine
General Counsel	Mr. Cornell Wilson III
Chief Operations Officer	Mr. Matthew Bell
Chief Transformation Officer	Mr. Joseph Logue
Chief Internal Auditor	Mr. Darick Clark

Lottery Control Board Officer

Chair	Ms. Diana Sheehan
-------	-------------------

Lottery Control Board Members

Member (01/16/25 – Present)	Vacant
Member (07/01/23 – 01/15/25)	Ms. Sarah Alter
Member	Ms. Alejandra Garza
Member	Ms. Dianna Sheehan
Member (08/05/24 – Present)	Ms. Wynona Redmond
Member (07/01/23 – 08/04/24)	Vacant
Member	Vacant

Department Offices

Chicago Office
122 S. Michigan Avenue, 19th Floor
Chicago, Illinois 60603

Springfield Office
404 N. 5th Street
Springfield, Illinois 62702



MANAGEMENT ASSERTION LETTER

May 21, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the State of Illinois, Department of the Lottery (Department) and reporting their significant elements of census data and related employer contributions within the State Employees' Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Department's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Department has materially complied with the specified requirements listed below.

- A. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Department to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,
 - retirement deduction code
- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

J.B. Pritzker
Governor

Harold Mays
Director

Illinois Lottery
115 S. LaSalle
Suite 2201
Chicago, IL 60603
(312) 793-3030

Main

(312) 793-5514 Fax

404 N. 5th Street
Springfield, IL 62702
(217) 524-5147 Main
(217) 785-3990 Fax

illinoislottery.com



Yours truly,

State of Illinois, Department of Lottery

SIGNED ORIGINAL ON FILE

Harold Mays, Director

SIGNED ORIGINAL ON FILE

Amber Chappell, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Cornell Wilson, General Counsel

**State of Illinois
Department of the Lottery
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Compliance Report

Summary

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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 Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	1	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
-----------------	-------------	--------------------------------	--------------------	---------------------

Current Finding

2024-001	32	New	Inaccurate Census Data	Significant Deficiency and Noncompliance
----------	----	-----	------------------------	---

Exit Conference

The Department waived an exit conference in correspondence from Darick Clark, Chief Internal Auditor, on April 30, 2025. The response to the recommendation was provided by Darick Clark, Chief Internal Auditor, in a correspondence dated May 7, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Lottery Control Board
State of Illinois, Department of the Lottery

Mr. Harold Mays
Director
State of Illinois, Department of the Lottery

External Auditors
State of Illinois, Department of the Lottery

Board of Trustees
State Employees' Retirement System

Mr. Timothy B. Blair
Executive Secretary
State Employees' Retirement System

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the State of Illinois, Department of the Lottery (Department) 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:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.

- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Department to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 a legal determination on the Department's compliance with the specified requirements.

In our opinion, the Department complied with the specified requirements, in all material respects, during:

- 1. the census data accumulation year for the System ended June 30, 2024, and
- 2. the proportionate share allocation year for the System ended June 30, 2024.

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 item 2024-001.

The Department's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The Department's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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 Department 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 Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements and to test and report on the Department's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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 item 2024-001 that we consider to be a significant deficiency.

The Department's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The Department's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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

Schaumburg, Illinois
May 21, 2025

**State of Illinois
Department of the Lottery
Compliance Examination of Census Data – Employer Pensions
Schedule of Findings**

For the Year Ended June 30, 2024

Finding No. 2024-001 Inaccurate Census Data

The Department of the Lottery (Department) had certain deficiencies in its internal control to ensure accurate census data was provided to the State Employees' Retirement System of Illinois (System) for use in the applicable annual actuarial valuations.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the Department's employees are members of both the pension plan administered by the System and the State Employees Group Insurance Program (SEGIP) sponsored by the State of Illinois, which includes OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans.

During the performance of the compliance examination, while testing System records to Department records, we identified 1 of 16 (6%) employees with an incorrect rate of pay. The rate of pay reported was overstated by \$2 and the error was applicable to three pay periods during the fiscal year, for a total of \$6.

The result of the error above led to contributions due to the System being overstated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the error immaterial to the plan level valuations as a whole.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of its essential transactions to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

Department officials indicated the exception was due to human error.

Failure to ensure census data reported to the System was complete and accurate may result in significant misstatements of the Department's financial statements and reduce the overall accuracy of System-related pension liabilities, deferred inflows and outflows of resources, and expense recorded by the State and its agencies. (Finding Code No. 2024-001)

**State of Illinois
Department of the Lottery
Compliance Examination of Census Data – Employer Pensions
Schedule of Findings**

For the Year Ended June 30, 2024

Finding No. 2024-001 Inaccurate Census Data (Continued)

Recommendation:

We recommend the Department strengthen controls to ensure accurate census data is provided to the System for use in the annual actuarial valuation process. If differences are noted between the Department's data and the System's data, these differences should be communicated timely and rectified to ensure the actuarial valuations are using accurate data.

Department Response:

The Department accepts the finding. The three pay periods with the error were the last three of fiscal year 2024. The error was corrected in the payroll system in the first pay period of FY2025. In addition, the State's payroll discrepancy report discovered the error, and the Department recouped the \$6 in October of 2024. The Department will continue to evaluate internal controls necessary to ensure accurate census data is provided.

State of Illinois, Department of Healthcare and Family Services

State of Illinois
Department of Healthcare and Family Services
Compliance Examination of Census Data – Employer Pensions

For the Year Ended June 30, 2024

Department Officials

Director (Acting) (1/1/24 – Present)	Elizabeth M. Whitehorn
Director (7/1/23 – 12/31/23)	Theresa Eagleson
Assistant Director (2/1/25 – Present)	Vacant
Assistant Director (7/1/23 – 1/31/25)	Jenny Aguirre
Chief of Staff (1/1/24 – Present)	Dana Kelly
Chief of Staff (7/1/23 – 5/16/24)	Ben Winick
Chief Operating Officer (06/01/24 – Present)	Ben Winick
Chief Internal Auditor	Jamie Nardulli
General Counsel (1/6/25 – Present)	Kathryn Muse
General Counsel (10/16/24 – 1/5/25)	Christopher Gange (Interim)
General Counsel (3/1/24 – 10/15/24)	Kathleen Hill
General Counsel (7/1/23 – 3/31/24)	Steffanie Garrett
Inspector General (Acting)	Brian Dunn

Deputy Directors

Community Outreach (8/16/24 – Present)	Melishia Bansa
Community Outreach (7/1/23 – 8/15/24)	Vacant
Administrative Operations	Tanya Ford-Davenport
Human Resources (05/01/25 – Present)	Stephanie Snow
Human Resources (11/01/24 – 04/30/25)	Vacant
Human Resources (02/16/21 – 10/31/24)	Terri Shawgo
New Initiatives (5/16/24 – Present)	Laura Phelan
New Initiatives (7/1/23 – 5/15/24)	Vacant

Division Administrators

Child Support Services	Bryan Tribble
Finance	Michael Casey
Medical Eligibility (10/16/24 - Present)	Katherine Yager
Medical Eligibility (9/1/24 – 10/15/24)	Vacant
Medical Eligibility (12/10/23 – 8/31/24)	Tracy Keen
Medical Programs	Kelly Cunningham
Personnel & Administrative Services (1/1/25 – Present)	Vacant
Personnel & Administrative Services (Interim) (7/1/23 – 12/31/24)	Ruth Ann Day

**State of Illinois
Department of Healthcare and Family Services
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Department Offices

Springfield Office
201 South Grand Avenue East
Springfield, Illinois 62763

Chicago Office
401 South Clinton
Chicago, Illinois 62607



HFS

Illinois Department of
Healthcare and Family Services

JB Pritzker, Governor
Elizabeth M. Whitehorn, Director

401 South Clinton Street
Chicago, Illinois 60607

Telephone: +1-312-793-4792
TTY: +1-800-526-5812

MANAGEMENT ASSERTION LETTER

May 21, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Dear RSM:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the State of Illinois, Department of Healthcare and Family Services (Department) and reporting their significant elements of census data and related employer contributions within the State Employees' Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Department's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Department has materially complied with the specified requirements listed below.

- A. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Department to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,
 - retirement deduction code
- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Department and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Department of Healthcare and Family Services

SIGNED ORIGINAL ON FILE

Elizabeth M. Whitehorn, Acting Director

SIGNED ORIGINAL ON FILE

Michael Casey, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Kathryn Muse, General Counsel

State of Illinois
Department of Healthcare and Family Services
Compliance Examination of Census Data – Employer Pensions

For the Year Ended June 30, 2024

Compliance Report

Summary

The State compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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 Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	0	0

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding				
2024-001	42	2023/2022	Inaccurate Census Data	Significant Deficiency and Noncompliance

Exit Conference

The Department waived an exit conference in correspondence from Jamie Nardulli, Chief Internal Auditor, on April 28, 2025. The response to the recommendation was provided by Jamie Nardulli, Chief Internal Auditor, in a correspondence dated May 7, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Ms. Elizabeth M. Whitehorn
Director
State of Illinois, Department of Healthcare and Family Services

External Auditors
State of Illinois, Department of Healthcare and Family Services

Board of Trustees
State Employees' Retirement System

Mr. Timothy B. Blair
Executive Secretary
State Employees' Retirement System

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the State of Illinois, Department of Healthcare and Family Services (Department) 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:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.

- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Department to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Department and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 a legal determination on the Department's compliance with the specified requirements.

In our opinion, the Department complied with the specified requirements, in all material respects, during:

- 1. the census data accumulation year for the System ended June 30, 2024, and
- 2. the proportionate share allocation year for the System ended June 30, 2024.

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 item 2024-001.

The Department's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The Department's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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 Department 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 Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements and to test and report on the Department's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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 item 2024-001 that we consider to be a significant deficiency.

The Department's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The Department's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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

Schaumburg, Illinois
May 21, 2025

**State of Illinois
Department of Healthcare and Family Services
Compliance Examination of Census Data – Employer Pensions
Schedule of Findings**

For the Year Ended June 30, 2024

Finding No. 2024-001 Inaccurate Census Data

The Department of Healthcare and Family Services (Department) had certain deficiencies in its internal control to ensure accurate census data was provided to the State Employees' Retirement System of Illinois (System) for use in the applicable annual actuarial valuations.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the Department's employees are members of both the pension plan administered by the System and the State Employees Group Insurance Program (SEGIS) sponsored by the State of Illinois, which includes OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans.

During the performance of the compliance examination, while testing Department records to System records, we identified 1 of 60 (2%) employees with an incorrect rate of pay. The rate of pay reported was understated by \$238, or approximately 5%, and the error was applicable to the entirety of the fiscal year. The total calculated understatement of earnings for the year was \$3,560.

The result of the error above led to contributions due to the System being understated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed the error immaterial to the plan level valuations as a whole.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of its essential transactions to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

Department officials indicated the exception was due to delayed receipt of information from the Personnel and Labor Relations Bureaus of the Department of Central Management Services regarding semi-automatic promotion criteria.

Failure to ensure census data reported to the System was complete and accurate may result in significant misstatements of the Department's financial statements and reduce the overall accuracy of System-related pension liabilities, deferred inflows and outflows of resources, and expense recorded by the State and its agencies. (Finding Code No. 2024-001, 2023-001, 2022-001)

**State of Illinois
Department of Healthcare and Family Services
Compliance Examination of Census Data – Employer Pensions
Schedule of Findings**

For the Year Ended June 30, 2024

Finding No. 2024-001 Inaccurate Census Data (Continued)

Recommendation:

We recommend the Department strengthen controls to ensure accurate census data is provided to the System for use in the annual actuarial valuation process. If differences are noted between the Department's data and the System's data, these differences should be communicated timely and rectified to ensure the actuarial valuations are using accurate data.

Department Response:

The Department accepts the recommendation. Due to a change in the collective bargaining unit agreement, HFS was waiting for direction from Central Management Services to determine the qualifications necessary for an employee to be subject to the semi-automatic promotional language. Once direction was provided, HFS completed the transaction, placing the employee on the correct step. Personnel will ensure pending changes are communicated for consideration in actuarial valuations.

State of Illinois, Department of Revenue

**State of Illinois
Department of Revenue
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Department Officials

Director	David Harris
Assistant Director	Vacant
Associate Director	Africa (7/16/2020 – 8/11/2024) Vacant (8/12/2024 – Present)
Chief of Staff	Jim Nichelson
Chief Financial Officer	Cory Staley
Chief Internal Auditor	Nikki Lanier
General Counsel	Colin Bowes-Carlson (9/1/2021 – 5/24/2024) Brian Fliflet, Acting (5/25/2024 – 9/30/2024) Bridget DiBattista (10/1/2024 – Present)

Department Offices

Springfield Location

Willard Ice Building
101 West Jefferson Street
Springfield, Illinois 62702

Des Plaines Location

Maine North Regional Building
9511 Harrison Avenue
Des Plaines, Illinois 60016

Marion Location

2309 West Main Street, Suite 114
Marion, Illinois 62959

Chicago Location

555 West Monroe Street, Suite 1100
Chicago, Illinois 60661

Fairview Heights Location

15 Executive Drive, Suite 2
Fairview Heights, Illinois 62208

Rockford Location

200 South Wyman Street
Rockford, Illinois 61101

101 West Jefferson Street
Springfield IL 62702
217.785.7570

555 West Monroe Street
Chicago IL 60661
312.814.3190



JB Pritzker
Governor

David Harris
Director

STATE OF ILLINOIS
DEPARTMENT OF REVENUE

MANAGEMENT ASSERTION LETTER

May 21, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the State of Illinois, Department of Revenue (Department) and reporting their significant elements of census data and related employer and/or employee contributions within the State Employees' Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Department's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Department has materially complied with the specified requirements listed below.

- A. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Department to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,
 - retirement deduction code
- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Department and recorded within the Statewide Accounting Management System under detail object codes 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Department of Revenue

SIGNED ORIGINAL ON FILE

David Harris, Director

SIGNED ORIGINAL ON FILE

Cory Staley, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Bridget DiBattista, General Counsel

**State of Illinois
Department of Revenue
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Compliance Report

Summary

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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 Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

Exit Conference

The Department waived an exit conference in correspondence from Nikki Lanier, Chief Internal Auditor, on April 25, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Mr. David Harris
Director
State of Illinois, Department of Revenue

External Auditors
State of Illinois, Department of Revenue

Board of Trustees
State Employees' Retirement System

Mr. Timothy B. Blair
Executive Secretary
State Employees' Retirement System

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the State of Illinois, Department of Revenue (Department) 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:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. All of the Department's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.

- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Department to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Department to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Department and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 a legal determination on the Department's compliance with the specified requirements.

In our opinion, the Department complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

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 Department 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 Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements and to test and report on the Department's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

Schaumburg, Illinois
May 21, 2025

State of Illinois, Capital Development Board

**State of Illinois
Capital Development Board
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Board Officials

Director (5/27/2024 – Present)	Tamakia Edwards
Acting Director (5/1/2024 – 5/26/2024)	Amy Romano
Director (7/1/2022 – 4/30/2024)	James Underwood
Chief of Staff (9/1/2023 – Present)	Darnita A. Lee
Chief of Staff (5/13/2023 – 8/31/2023)	Vacant
Chief of Staff (7/1/2022 – 5/12/2023)	Tamakia Edwards
Chief Financial Officer (1/27/2025 – Present)	Joe Meints
Chief Financial Officer (1/1/2025 – 1/26/2025)	Vacant
Chief Financial Officer (7/1/2022 – 12/31/2024)	Paula Sorensen
General Counsel	Amy Romano
Deputy Director of Operations	Kathryn Martin
Deputy Director of Construction (1/1/2023 – present)	Lisa Hennigh
Deputy Director of Construction (7/1/2022 – 12/31/2022)	Vacant
Chief Internal Auditor	Jennifer Boen

Board Members

Chair (4/22/2019 – present)	Eileen Rhodes
Member (8/3/2002 – present)	Glyn Ramage
Member (11/2/2015 – present)	Pamela McDonough
Member (8/23/2019 – present)	Beverly Potts
Member (5/14/2021 – present)	Saul J. Morse
Member (11/02/2021 – 5/01/2024)	Hipolito (Paul) Roldan
Member (1/28/2022 – 6/30/2023)	David Sidney
Member (11/9/2023 – 5/14/2024)	Tamakia Edwards
Member (6/11/2024 – present)	Ama Addai
Member (12/10/2024 – present)	Araceli Garza

Board Office

300 William G. Stratton Building
401 South Spring Street
Springfield, Illinois 62706



MANAGEMENT ASSERTION LETTER

May 21, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the State of Illinois, Capital Development Board (Board) and reporting their significant elements of census data and related employer contributions within the State Employees' Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Board's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Board has materially complied with the specified requirements listed below.


- A. All of the Board's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Board to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,
 - retirement deduction code
- C. The employer contributions remitted by the Board to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Capital Development Board


SIGNED ORIGINAL ON FILE

Tamakia Edwards, Director

SIGNED ORIGINAL ON FILE
Joel Meints, Chief Financial Officer**SIGNED ORIGINAL ON FILE**
Amy Romo, General Counsel

**State of Illinois
Capital Development Board
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Compliance Report

Summary

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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 Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

Exit Conference

The Board waived an exit conference in correspondence from Jennifer Boen, Chief Internal Auditor, on April 30, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Governing Board
State of Illinois, Capital Development Board

Ms. Tamakia Edwards
Executive Director
State of Illinois, Capital Development Board

External Auditors
State of Illinois, Capital Development Board

Board of Trustees
State Employees' Retirement System

Mr. Timothy B. Blair
Executive Secretary
State Employees' Retirement System

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System) we have examined compliance by management of the State of Illinois, Capital Development Board (Board) 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:

1. the census data accumulation year for the System ended June 30, 2024 and
2. the proportionate share allocation year for the System ended June 30, 2024.

Management of the Board is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. All of the Board's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.

- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Board to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Board to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 Board complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Board complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 a legal determination on the Board's compliance with the specified requirements.

In our opinion, the Board complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

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 Board 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 Board's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Board's compliance with the specified requirements and to test and report on the Board's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

Schaumburg, Illinois
May 21, 2025

State of Illinois, Environmental Protection Agency, Fund 270 – Water Revolving Fund

**State of Illinois
Environmental Protection Agency
Fund 270 - Water Revolving Fund
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Agency Officials

Acting Director (09/13/2024 – Present)	Mr. James Jennings
Interim Director (07/16/2024 – 09/12/2024)	Mr. James Jennings
Director (through 07/15/2024)	Mr. John J. Kim
Deputy Director (07/16/2024 – Present)	Vacant
Deputy Director (04/04/2023 – 07/15/2024)	Mr. James Jennings
Deputy Director (07/01/2020 – 04/03/2023)	Mr. Todd Rettig
Chief of Staff	Ms. Laura Roche
Chief Legal Counsel (07/01/2024 – Present)	Mr. Andrew Armstrong
Chief Legal Counsel (through 06/30/2024)	Mr. Charles W. Gunnarson
Chief Financial Officer	Mr. Jacob Poeschel
Chief Internal Auditor (06/01/2024 – Present)	Ms. Sally Burton
Chief Internal Auditor (02/01/2024 – 05/31/2024)	Vacant
Chief Internal Auditor (01/01/2021 – 01/31/2024)	Ms. Ellen Jennings Fairfield

Agency Office

2520 West Iles Avenue
Springfield, Illinois 62794



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

2520 WEST ILES AVENUE, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-3397

JB PRITZKER, GOVERNOR

JAMES JENNINGS, ACTING DIRECTOR

MANAGEMENT ASSERTION LETTER

May 21, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Water Revolving Fund of the State of Illinois, Environmental Protection Agency (Agency) and reporting their significant elements of census data and related employer contributions within the State Employees' Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Agency's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Agency has materially complied with the specified requirements listed below.

- A. All of the Agency's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Agency to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,
 - retirement deduction code
- C. The employer contributions remitted by the Agency to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

2125 S. First Street, Champaign, IL 61820 (217) 278-5800
115 S. LaSalle Street, Suite 2203, Chicago, IL 60603
1101 Eastport Plaza Dr., Suite 100, Collinsville, IL 62234 (618) 346-5120
9511 Harrison Street, Des Plaines, IL 60016 (847) 294-4000

595 S. State Street, Elgin, IL 60123 (847) 608-3131
2309 W. Main Street, Suite 116, Marion, IL 62959 (618) 993-7200
412 SW Washington Street, Suite D, Peoria, IL 61602 (309) 671-3022
4302 N. Main Street, Rockford, IL 61103 (815) 987-7760

PLEASE PRINT ON RECYCLED PAPER

Yours truly,

State of Illinois, Environmental Protection Agency

SIGNED ORIGINAL ON FILE

James Jennings, Acting Director

SIGNED ORIGINAL ON FILE

Jacob Poeschel, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Andrew Armstrong, Chief Legal Counsel

**State of Illinois
Environmental Protection Agency
Fund 270 - Water Revolving Fund
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Compliance Report

Summary

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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 Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

Exit Conference

The Agency waived an exit conference in correspondence from Sally Burton, Chief Internal Auditor, on April 28, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Mr. James Jennings
Acting Director
State of Illinois, Environmental Protection Agency

External Auditors
State of Illinois, Environmental Protection Agency

Board of Trustees
State Employees' Retirement System

Mr. Timothy B. Blair
Executive Secretary
State Employees' Retirement System

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the Water Revolving Fund of the State of Illinois, Environmental Protection Agency (Agency) 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:

1. the census data accumulation year for the System ended June 30, 2024 and
2. the proportionate share allocation year for the System ended June 30, 2024.

Management of the Agency is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. All of the Agency's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.

- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by Agency to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Agency to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 Agency complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 a legal determination on the Agency's compliance with the specified requirements.

In our opinion, the Agency complied with the specified requirements, in all material respects, during:

- 1. the census data accumulation year for the System ended June 30, 2024, and
- 2. the proportionate share allocation year for the System ended June 30, 2024.

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 Agency 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 Agency's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Agency's compliance with the specified requirements and to test and report on the Agency's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

Schaumburg, Illinois
May 21, 2025

Illinois State Board of Education

**State of Illinois
Illinois State Board of Education
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Agency Officials

State Superintendent of Education	Dr. Tony Sanders
Chief of Staff (07/01/23 – Present)	Dr. Kimako Patterson
Chief Legal Officer (10/01/23 – Present)	Kristen Kennedy
Interim Chief Legal Officer (07/01/23 – 09/30/23)	Kristen Kennedy
Chief Internal Audit Officer	Tassi Maton
Chief Education Officer – Instruction (07/01/23 – Present)	Jason Helfer, Ph.D.
Chief Education Officer – Operations (05/28/2024 – Present)	Jennifer Saba
Chief Education Officer – Operations (07/01/23 – 06/28/2024)	Krish Mohip
Chief Financial Officer	Dr. Matthew Seaton
Chief Operating Officer (01/01/25 – Present)	Miguel Calderon
Chief Operating Officer (Through 01/01/25)	Melissa Oller
Chief Policy & Communications Officer	Irma Snopek
Chief Information Officer (11/01/23 – Present)	Edobor Efam
Chief Advisor to Early Childhood Transition (11/06/23 – 04/03/25)	Ann Whalen
Chief Advisor to Early Childhood Transition (07/01/23 - 11/05/23)	Vacant

Board Officers

Chairperson	Dr. Steven Isoye
Vice-Chairperson	Dr. Donna S. Leak
Secretary (02/20/25 – Present)	Dr. Sherly Chavarria
Secretary (Through 01/15/25)	Dr. Christine Benson

**State of Illinois
Illinois State Board of Education
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Governing Board Members

Member	Dr. James D. Anderson
Member	Dr. Patricia Marie Nugent
Member (03/09/25 – Present)	Vacant
Member (Through 03/09/25)	Dr. Anna Grassellino
Member (4/16/25 – Present)	Dr. Jonah Rice
Member (Through 03/09/25)	Roger Eddy
Member (07/21/23 – Present)	Laura Gonzalez
Member (Through 07/20/23)	Vacant
Member	Dr. Sherly Chavarria

Agency Offices

555 W. Monroe Street, Suite 900
Chicago, Illinois 60661

Alzina Building
100 N. First Street
Springfield, Illinois 62777

MANAGEMENT ASSERTION LETTER

May 21, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the State of Illinois, Illinois State Board of Education (Agency) and reporting their significant elements of census data and related employer contributions within the State Employees' Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Agency's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Agency has materially complied with the specified requirements listed below.

- A. All of the Agency's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Agency to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,
 - retirement deduction code
- C. The employer contributions remitted by the Agency to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Agency and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Illinois State Board of Education


SIGNED ORIGINAL ON FILE

Dr. Tony Sanders, State Superintendent of Education


SIGNED ORIGINAL ON FILE

Dr. Matthew Seaton, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Kristen Kennedy, Chief Legal Officer

**State of Illinois
Illinois State Board of Education
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Compliance Report

Summary

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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 Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

Exit Conference

The Agency waived an exit conference in correspondence from Tassi Maton, Chief Internal Audit Officer, on April 25, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Governing Board
State of Illinois, Illinois State Board of Education

Dr. Tony Sanders
State Superintendent of Education
State of Illinois, Illinois State Board of Education

External Auditors
State of Illinois, Illinois State Board of Education

Board of Trustees
State Employees' Retirement System

Mr. Timothy B. Blair
Executive Secretary
State Employees' Retirement System

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the State of Illinois, Illinois State Board of Education (Agency) 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:

1. the census data accumulation year for the System ended June 30, 2024 and
2. the proportionate share allocation year for the System ended June 30, 2024.

Management of the Agency is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. All of the Agency's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.

- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Agency to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Agency to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Agency and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 Agency complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 a legal determination on the Agency's compliance with the specified requirements.

In our opinion, the Agency complied with the specified requirements, in all material respects, during:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

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 Agency 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 Agency's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Agency's compliance with the specified requirements and to test and report on the Agency's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

Schaumburg, Illinois
May 21, 2025

Illinois Student Assistance Commission

**State of Illinois
Illinois Student Assistance Commission
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Commission Officials

Executive Director	Eric Zarnikow
Chief Financial Officer (01/01/25 – Present)	Rolake Adedara
Chief Financial Officer (Interim) (01/01/24 – 12/31/24)	Rolake Adedara
Chief Financial Officer (Up to 12/31/23)	Shoba Nandhan
Director of Investments (09/24/22 – Present)	Roger Rojas
General Counsel (03/21/25 – Present)	Lisa Murphy-Coveny
General Counsel (Interim) (03/21/24 – 03/20/25)	Lisa Murphy-Coveny
General Counsel (11/16/23 – 03/21/24)	William G. Farrar
General Counsel (Interim) (Up to 10/31/23)	Richard Nowell
Chief Internal Audit Officer	Kishor Desai

Governing Board Members

Chairman	Kevin B. Huber
Vice-Chair of the Board	Elizabeth V. Lopez
Commissioner (09/09/24 – Present)	Caleb Herod
Commissioner (06/08/23 – 09/08/24)	Vacant
Commissioner	James A. Hibbert
Commissioner	Maureen Amos
Commissioner	Dr. Jonathan “Josh” Bullock
Commissioner	Franciene Sabens
Commissioner	Darryl Arrington
Commissioner	Thomas Dowling
Student Commissioner (01/13/25 – Present)	Samiha Syed
Student Commissioner (Up to 01/12/25)	Payton Ade

Commission Offices

<u>Deerfield Office</u> 1755 Lake Cook Road Deerfield, Illinois 60015-5209	<u>Springfield Office</u> 500 West Monroe Springfield, Illinois 62704
--	---



MANAGEMENT ASSERTION LETTER

May 21, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the State of Illinois, Illinois Student Assistance Commission (Commission) and reporting their significant elements of census data and related employer contributions within the State Employees' Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Commission's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Commission has materially complied with the specified requirements listed below.

- A. All of the Commission's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Commission to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,
 - retirement deduction code

The employer contributions remitted by the Commission to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Commission and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Illinois Student Assistance Commission

SIGNED ORIGINAL ON FILE

Eric Zarnikow, Executive Director

SIGNED ORIGINAL ON FILE

Rolake Adedara, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Lisa Murphy-Coveny, General Counsel

**State of Illinois
Illinois Student Assistance Commission
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Compliance Report

Summary

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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 Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

Exit Conference

The Commission waived an exit conference in correspondence from Dana Mills Danner, Audit Liaison, on April 25, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Governing Board
State of Illinois, Illinois Student Assistance Commission

Mr. Eric Zarnikow
Executive Director
State of Illinois, Illinois Student Assistance Commission

External Auditors
State of Illinois, Illinois Student Assistance Commission

Board of Trustees
State Employees' Retirement System

Mr. Timothy B. Blair
Executive Secretary
State Employees' Retirement System

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the State of Illinois, Illinois Student Assistance Commission (Commission) 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:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

Management of the Commission is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Commission's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. All of the Commission's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.

- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Commission to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Commission to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations. Further, General Revenue Fund payroll paid by the Commission and recorded within the Statewide Accounting Management System under detail object code 1120 was complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 Commission complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Commission complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 a legal determination on the Commission's compliance with the specified requirements.

In our opinion, the Commission complied with the specified requirements, in all material respects, during:

- 1. the census data accumulation year for the System ended June 30, 2024, and
- 2. the proportionate share allocation year for the System ended June 30, 2024.

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 Commission 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 Commission's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Commission's compliance with the specified requirements and to test and report on the Commission's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

Schaumburg, Illinois
May 21, 2025

Illinois Workers' Compensation Commission, Self-Insurers Security Fund

**State of Illinois
Illinois Workers' Compensation Commission
Self-Insurers Security Fund
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Commission Officials

Chair	Mr. Michael Brennan
Chief Fiscal Officer	Mr. Paul Fichtner
General Counsel	Mr. Ronald Rascia
Manager of Self-Insurance	Ms. Maria Sarli-Dehlin

Self-Insurers Advisory Board¹

Chair	Mr. Michael Brennan
Public Member (05/18/2023 – present)	Mr. Shuaib Ahmed
Member (05/18/2023 – present)	Mr. Toni Herwaldt
Member (05/18/2023 – present)	Ms. Gina Koenig
Member	Mr. David Taylor
Member	Ms. Joan Vincenz
Member	Mr. Michael Castro

Commission Offices

Chicago Office
69 W. Washington Street, Suite 900
Chicago, Illinois 60602

Springfield Office
400 S. Ninth Street, Suite 106
Springfield, Illinois 62701

Peoria Office
401 Main Street, Suite 640
Peoria, Illinois 61602

Collinsville Office
1803 Ramada Blvd
Collinsville, IL 62234

¹ The Workers' Compensation Act (Act) (820 ILCS 305/4a-3) requires the Board consist of the Chair of the Commission and six members who are experts in self-insurance for workers' compensation liabilities appointed by the Chair, one of whom is a member of the public. Under the Act (820 ILCS 305/4a-1), the Board provides for the continuation of benefits due from and unpaid by insolvent self-insurers and reviews and recommends a disposition on all initial and renewal applications to self-insure by private entities.



Illinois Workers' Compensation Commission

69 W. Washington St., Suite 900
Chicago, IL 60602
312-814-6500

JB Pritzker, Governor

Michael J. Brennan, Chairman

May 21, 2025

RSM US LLP

1450 American Lane, Suite 1400

Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Self-Insurers Security Fund (Fund 940) of the State of Illinois, Illinois Workers' Compensation Commission (Commission) and reporting their significant elements of census data and related employer contributions within the State Employees' Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Commission's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Commission has materially complied with the specified requirements listed below.

- A. All of the Commission's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Commission to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,

- retirement deduction code

C. The employer contributions remitted by the Commission to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Illinois Workers' Compensation Commission

SIGNED ORIGINAL ON FILE

Michael Brennan, Chair

SIGNED ORIGINAL ON FILE

Paul Fichtner, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Ronald Rascia, General Counsel

**State of Illinois
Illinois Workers' Compensation Commission
Self-Insurers Security Fund
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Compliance Report

Summary

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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 Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	1	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	1

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding				
2024-001	87	New	Inaccurate Census Data	Significant Deficiency and Noncompliance

Exit Conference

The Commission waived an exit conference in correspondence from Paul Fichtner, Chief Fiscal Officer, on April 28, 2025. The response to the recommendation was provided by Paul Fichtner, Chief Fiscal Officer, in a correspondence dated April 28, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Self-Insurers Advisory Board
State of Illinois, Illinois Workers' Compensation Commission

Mr. Michael Brennan
Chair
State of Illinois, Illinois Workers' Compensation Commission

External Auditors
State of Illinois, Illinois Workers' Compensation Commission

Board of Trustees
State Employees' Retirement System

Mr. Timothy B. Blair
Executive Secretary
State Employees' Retirement System

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the Self-Insurers Security Fund (Fund 940) of the State of Illinois, Illinois Workers' Compensation Commission (Commission) 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:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

Management of the Commission is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Commission's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. All of the Commission's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.

- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Commission to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Commission to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 Commission complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Commission complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 a legal determination on the Commission's compliance with the specified requirements.

In our opinion, the Commission complied with the specified requirements, in all material respects, during:

- 1. the census data accumulation year for the System ended June 30, 2024, and
- 2. the proportionate share allocation year for the System ended June 30, 2024.

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 item 2024-001.

The Commission's response to the census data compliance finding identified in our examination is described in the accompanying Schedule of Findings. The Commission's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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 Commission 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 Commission's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Commission's compliance with the specified requirements and to test and report on the Commission's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 item 2024-001 that we consider to be a significant deficiency.

The Commission's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The Commission's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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

Schaumburg, Illinois
May 21, 2025

**State of Illinois
Illinois Workers' Compensation Commission
Self-Insurers Security Fund
Compliance Examination of Census Data – Employer Pensions
Schedule of Findings**

For the Year Ended June 30, 2024

Finding No. 2024-001 Inaccurate Census Data

The Illinois Workers' Compensation Commission (Commission) had certain deficiencies in its internal control to ensure accurate census data was provided to the State Employees' Retirement System of Illinois (System) for use in the applicable annual actuarial valuations.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or other postemployment benefit (OPEB) plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuations (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the Commission's employees are members of both the pension plan administered by the System and the State Employees Group Insurance Program (SEGIS) sponsored by the State of Illinois, which includes OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans.

During the performance of the census examination, it was identified that:

- During testing of System records to Commission records (forwards testing), we identified 1 of 22 (5%) employees with an incorrect rate of pay. The rate of pay reported was overstated by \$100, or approximately 1%, and the error was applicable to fifteen pay periods of the fiscal year, for a total of \$750.
- During testing of Commission records to System records (backwards testing), we identified 1 of 22 (5%) employees with an incorrect retirement deduction code.
- During forwards and backwards testing, we identified 12 of 44 (27%) additional employees with an incorrect rate of pay. These employees had earned a longevity pay rate increase of \$30, effective January 1, 2024, but these increases were not processed or paid through fiscal year-end. Per further investigation and inquiry with Commission officials, we noted that the State of Illinois, Department of Central Management Services (CMS) had also identified 17 additional Commission employees with the same exception. In total, these exceptions resulted in an understatement in gross earnings of approximately \$5,220. The issue was resolved subsequent to fiscal year-end.

The result of the errors above led to contributions due to the plan being understated and inaccurate census data being utilized by the System and the State in the performance of the annual pension and OPEB actuarial valuation processes. The independent actuaries utilized by the System and the State of Illinois for the pension and OPEB plans deemed these errors immaterial to the plan level valuations as a whole.

The State Records Act (5 ILCS 160/8) requires the Commission to make and preserve records containing adequate and proper documentation of its essential transactions to protect the legal and financial rights of the State and of persons directly affected by the Commission's activities.

**State of Illinois
Illinois Workers' Compensation Commission
Self-Insurers Security Fund
Compliance Examination of Census Data – Employer Pensions
Schedule of Findings**

For the Year Ended June 30, 2024

Finding No. 2024-001 Inaccurate Census Data (Continued)

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative control to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

Commission officials indicated the exceptions were due to human error.

Failure to ensure census data reported to the System was complete and accurate may result in significant misstatements of the Commission's financial statements and reduce the overall accuracy of System-related pension liabilities, deferred inflows and outflows of resources, and expense recorded by the State and its agencies. (Finding Code No. 2024-001)

Recommendation:

We recommend the Commission strengthen controls to ensure accurate census data is provided to the System for use in the annual actuarial valuation process. If differences are noted between the Commission's data and the System's data, these differences should be communicated timely and rectified to ensure the actuarial valuations are using accurate data.

Commission Response:

The Commission agrees with the finding. Human Resources and Fiscal are working together to make sure any differences of Commission's data, such as change in employee Tier status or changes in American Federation of State, County, and Municipal Employees (AFSCME) contract payments, such as longevity, are identified in a timely manner.

Illinois State Toll Highway Authority

**Illinois State Toll Highway Authority
(A Component Unit of the State of Illinois)
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Authority Officials

Executive Director	Ms. Cassaundra Rouse
Chief Operating Officer (11/17/2022 – 3/18/2024) *	Mr. Jeffrey Donoghue
Chief of Staff (11/01/2023 – present) *	Mr. John Donato
Chief Financial Officer	Ms. Cathy R. Williams
Controller	Ms. Patricia Pearn
General Counsel	Ms. Kathleen Pasulka-Brown

* Chief Operations Officer position was retired after Mr. Jeffrey Donoghue left, and the Chief of Staff position was created. Therefore, there were no vacancies prior to 11/01/2023 to report for the new position.

Toll Highway Authority Board Officers

Chair	Mr. Arnaldo Rivera
Vice Chair	Mr. James Connolly

Toll Highway Authority Board of Directors

Director (07/17/2023 – present)	Ms. Melissa Neddermeyer
Director (04/01/2023 – 7/16/2023)	Vacant
Director	Ms. Jacqueline Gomez Fuentes
Director	Ms. Karen McConnaughay
Director	Mr. Scott Paddock
Director	Mr. Gary Perinar
Director	Mr. James Sweeney
Director (07/17/2023 – present)	Mr. Mark Wright
Director (04/02/2022 – 7/16/2023)	Vacant

Administrative Offices

2700 Ogden Avenue
Downers Grove, Illinois 60515



MANAGEMENT ASSERTION LETTER

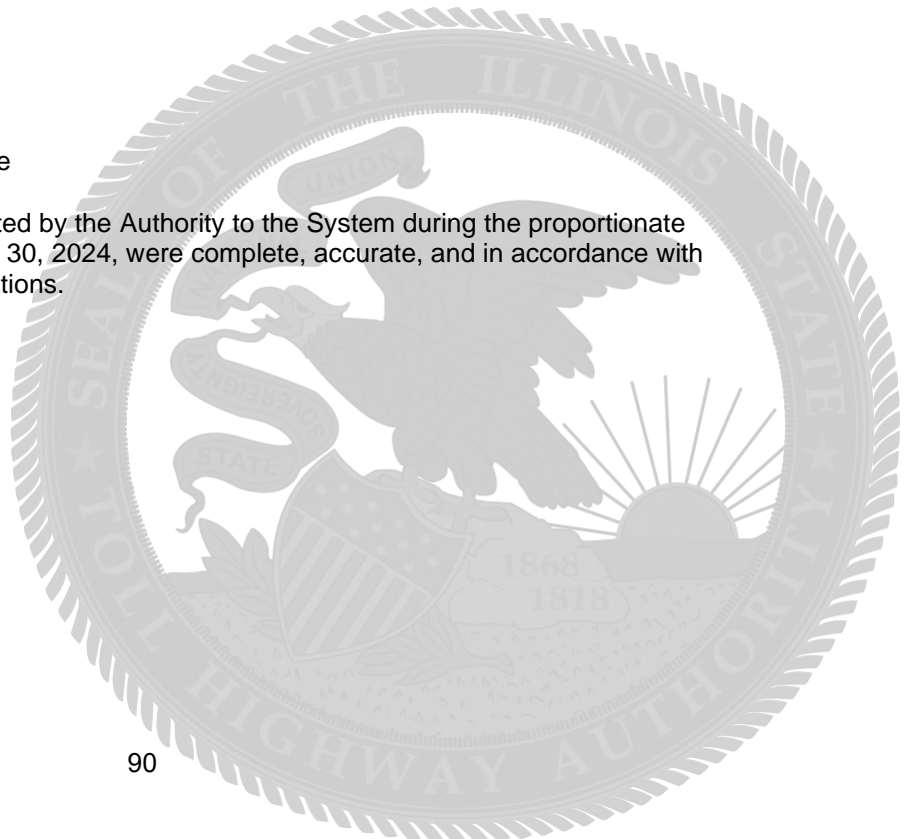
May 21, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations applicable to identifying and enrolling eligible employees of the Illinois State Toll Highway Authority (Authority), a component unit of the State of Illinois, and reporting their significant elements of census data and related employer contributions within the State Employees' Retirement System (System). We are responsible for and we have established and maintained an effective system of internal controls over the specified requirements. We have performed an evaluation of the Authority's compliance with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Authority has materially complied with the specified requirements listed below.

- A. All of the Authority's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.
- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Authority to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,
 - retirement deduction code
- C. The employer contributions remitted by the Authority to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.



Yours truly,

Illinois State Toll Highway Authority

SIGNED ORIGINAL ON FILE

Cassandra Rouse, Executive Director

SIGNED ORIGINAL ON FILE

Cathy R. Williams, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Kathleen Pasulka-Brown, General Counsel

**Illinois State Toll Highway Authority
(A Component Unit of the State of Illinois)
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Compliance Report

Summary

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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 Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	1

Exit Conference

The Authority waived an exit conference in correspondence from Patricia Pearn, Controller, on April 25, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Board of Directors
Illinois State Toll Highway Authority

Ms. Cassandra Rouse
Executive Director

External Auditors
Illinois State Toll Highway Authority

Board of Trustees
State Employees' Retirement System

Mr. Timothy Blair
Executive Secretary
State Employees' Retirement System

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the Illinois State Toll Highway Authority (Authority), a component unit of the State of Illinois, 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:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

Management of the Authority is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. All of the Authority's employees required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024.

- B. The changes in significant elements of census data for employees required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Authority to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Authority to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 Authority complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 a legal determination on the Authority's compliance with the specified requirements.

In our opinion, the Authority complied with the specified requirements, in all material respects, during:

- 1. the census data accumulation year for the System ended June 30, 2024, and
- 2. the proportionate share allocation year for the System ended June 30, 2024.

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 Authority 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 Authority's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Authority's compliance with the specified requirements and to test and report on the Authority's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

Schaumburg, Illinois
May 21, 2025

State of Illinois, Illinois State Police

**State of Illinois, Illinois State Police
Illinois State Toll Highway Authority
(A Component Unit of the State of Illinois)
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Department Officials

Director	Mr. Brendan Kelly
First Deputy Director (12/01/2023 – present)	Ms. Rebecca Hook
First Deputy Director (07/01/2022 – 11/30/2023)	Mr. Matt Davis
Chief Financial Officer, Interim (06/01/2024 – present)	Ms. Michelle Dankoski
Chief Financial Officer (10/18/2021 – 05/31/2024)	Mr. Benjamin Dieterich
Chief Legal Counsel (04/01/2023 – present)	Ms. Steffanie Garrett
Chief Internal Auditor	Ms. Denise Caldwell

Administrative Offices

801 South Seventh Street
Springfield, Illinois 62703

Authority Officials

Executive Director	Ms. Cassandra Rouse
Chief Financial Officer	Ms. Cathy R. Williams
General Counsel	Ms. Kathleen Pasulka-Brown
Chief of Staff (11/01/2023 – present) *	Mr. John Donato
Chief Operations Officer (11/16/2022 – 03/18/2024) *	Mr. Jeffrey Donoghue
Controller	Ms. Patricia Pearn

* Chief Operations Officer position was retired after Mr. Jeffrey Donoghue left, and the Chief of Staff position was created. Therefore, there were no vacancies prior to 11/01/2023 to report for the new position.

Toll Highway Authority Board Officers

Chair	Mr. Arnaldo Rivera
Vice Chair	Mr. James Connolly

**State of Illinois, Illinois State Police
Illinois State Toll Highway Authority
(A Component Unit of the State of Illinois)
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Toll Highway Authority Board of Directors

Director (07/17/2023 – present)
Director (04/01/2023 – 7/16/2023)

Ms. Melissa Neddermeyer
Vacant

Director

Ms. Jacqueline Gomez Fuentes

Director

Ms. Karen McConnaughay

Director

Mr. Scott Paddock

Director

Mr. Gary Perinar

Director

Mr. James Sweeney

Director (07/17/2023 – present)
Director (04/02/2022 – 7/16/2023)

Mr. Mark Wright
Vacant

Administrative Offices

2700 Ogden Avenue
Downers Grove, Illinois 60515



ILLINOIS STATE POLICE
Office of the Director

JB Pritzker
Governor

Brendan F. Kelly
Director

MANAGEMENT ASSERTION LETTER

May 28, 2025

RSM US LLP
1450 American Lane, Suite 1400
Schaumburg, IL 60173

Ladies and Gentlemen:

The State of Illinois, Illinois State Police (Department) and the Illinois State Toll Highway Authority (Authority), a component unit of the State of Illinois, have shared responsibilities for processing the payroll of Department personnel assigned duties relating to policing and patrolling the Authority's toll roads. The Department and the Authority are responsible for the identification of, and compliance with, all aspects of laws, rules, and regulations, and the intergovernmental agreement between the Department and the Authority outlining the duties, roles, functions, and responsibilities of the parties as allowed for by the Illinois State Police Act (20 ILCS 2610/20), applicable to identifying and enrolling eligible personnel within the State Employees' Retirement System (System). The Authority is responsible for processing and paying the payroll for the Department and, therefore, is responsible for reporting the Department's significant elements of census data and authorizing the Comptroller to pay the related employer contributions to the System. We are responsible for, and we have established and maintained an effective system of internal controls over the specified requirements. We have jointly performed an evaluation of our compliance based on the delineated responsibilities of the Department and the Authority with the specified requirements during the applicable periods noted below. Based on this evaluation, we assert the Department and the Authority have materially complied with the specified requirements listed below.

- A. All of the Department's personnel, assigned duties relating to policing and patrolling the Authority's toll roads, required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024. The enrollment of these personnel within the System occurred through payroll transactions which were processed by the Authority using information provided by the Department.
- B. The changes in significant elements of census data for Department personnel, assigned duties relating to policing and patrolling the Authority's toll roads, required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Department through the Authority's payroll transactions to the System. The significant elements of census data of the System include each employee's:
 - social security number;
 - first and last name;
 - date of birth;
 - gender;
 - rate of pay; and,
 - retirement deduction code

- C. The employer contributions remitted by the Authority, for the Department's personnel assigned duties relating to policing and patrolling the Authority's toll roads, to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Illinois State Police

Illinois State Toll Highway Authority

SIGNED ORIGINAL ON FILE

Brendan Kelly, Director

SIGNED ORIGINAL ON FILE

Cassandra Rouse, Executive Director

SIGNED ORIGINAL ON FILE

Michelle Dankoski, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Cathy R. Williams, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Abby L. Sgro, Deputy Chief Legal Counsel

SIGNED ORIGINAL ON FILE

Kathleen Pasulka-Brown, General Counsel

**State of Illinois, Illinois State Police
Illinois State Toll Highway Authority
(A Component Unit of the State of Illinois)
Compliance Examination of Census Data – Employer Pensions**

For the Year Ended June 30, 2024

Compliance Report

Summary

The compliance testing of census data and employer contributions for pensions under the State Employees' Retirement System 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 Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	1

Exit Conference

The Department waived an exit conference in correspondence from Missy Westbrook, Payroll and Timekeeping Manager, on May 15, 2025.

**Independent Accountant's Report
on Compliance and on Internal Control Over Compliance**

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Board of Directors
Illinois State Toll Highway Authority

Ms. Cassaundra Rouse
Executive Director
Illinois State Toll Highway Authority

Mr. Brendan Kelly
Director
State of Illinois, Illinois State Police

External Auditors
Illinois State Toll Highway Authority

External Auditors
State of Illinois, Illinois State Police

Board of Trustees
State Employees' Retirement System

Mr. Timothy Blair
Executive Secretary
State Employees' Retirement System

Report on Compliance

As Special Assistant Auditors for the Auditor General of the State Employees' Retirement System (System), we have examined compliance by management of the State of Illinois, Illinois State Police (Department) and the Illinois State Toll Highway Authority (Authority), a component unit of the State of Illinois, 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:

1. the census data accumulation year for the System ended June 30, 2024, and
2. the proportionate share allocation year for the System ended June 30, 2024.

Management of the Department and Authority are responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. All of the Department's personnel, assigned duties relating to policing and patrolling the Authority's toll roads, required to be enrolled in the System in accordance with applicable laws, rules, and regulations were properly enrolled in the System during the census data accumulation year ended June 30, 2024. The enrollment of these personnel within the System occurred through payroll transactions which were processed by the Authority using information provided by the Department.
- B. The changes in significant elements of census data for the Department personnel, assigned duties relating to policing and patrolling the Authority's toll roads, required to be enrolled in the System occurring during the census data accumulation year ended June 30, 2024, were completely and accurately reported by the Department through the Authority's payroll transactions to the System.

The significant elements of census data of the System include each employee's:

- a. social security number;
 - b. first and last name;
 - c. date of birth;
 - d. gender;
 - e. rate of pay; and,
 - f. retirement deduction code.
- C. The employer contributions remitted by the Authority, for the Department's personnel assigned duties relating to policing and patrolling the Authority's toll roads, to the System during the proportionate share allocation year ended June 30, 2024, were complete, accurate, and in accordance with applicable laws, rules, and regulations.

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 Department and Authority complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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 a legal determination on the Department and Authority's compliance with the specified requirements.

In our opinion, the Department and Authority complied with the specified requirements, in all material respects, during:

- 1. the census data accumulation year for the System ended June 30, 2024, and
- 2. the proportionate share allocation year for the System ended June 30, 2024.

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 Department and Authority are 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 Department and Authority's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department and Authority's compliance with the specified requirements and to test and report on the Department and Authority's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

Schaumburg, Illinois
May 28, 2025