

**STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD**

**STATE COMPLIANCE EXAMINATION**

**FOR THE TWO YEARS ENDED JUNE 30, 2024**

**Performed as Special Assistant Auditors for  
the Auditor General, State of Illinois**

**STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
STATE COMPLIANCE EXAMINATION  
FOR THE TWO YEARS ENDED JUNE 30, 2024**

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**STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
STATE COMPLIANCE EXAMINATION  
FOR THE TWO YEARS ENDED JUNE 30, 2024**

**BOARD OFFICIALS**

Executive Director	Mr. Michael Deno
Deputy Director (9/1/23 to present)	Ms. Mary McMahon
Deputy Director (3/25/23 to 8/31/23)	Vacant
Deputy Director (7/1/22 to 3/24/23)	Ms. Natosha Cuyler Toller
Fiscal Officer	Ms. Sharmayne Adams
Investigator	Mr. Richard S. Sullivant

**BOARD OFFICERS**

Chair of the Board	Mr. David Sterba
Vice Chair of the Board (6/9/23 to present)	Hon. Kent Delgado
Vice Chair of the Board (5/2/23 to 6/8/23)	Vacant
Vice Chair of the Board (7/1/22 to 5/1/23)	Hon. Paula Gomora

**BOARD MEMBERS**

Board Member (7/1/22 to 6/8/23)	Hon. Kent Delgado
Board Member (5/1/23 to present)	Hon. Amy Sholar
Board Member	Mr. Sean Nash
Board Member (12/28/22 to present)	Mr. Jonathan Quinn
Board Member (7/1/22 to 12/27/22)	Vacant
Board Member	Ms. Ruby Smith
Board Member	Ms. Elaine B. Johnson
Board Member	Ms. Megan Applegate
Board Member (7/1/22 to present)	Vacant

**BOARD OFFICE**

The Judicial Inquiry Board's only office is located at:

555 W. Monroe, Suite 800-N  
Chicago, Illinois 60661

David P. Sterba  
*Chair*  
Honorable Kent A. Delgado  
*Vice Chair*  
Megan Applegate  
Elaine B. Johnson  
Sean Nash  
Jonathan S. Quinn  
Honorable Amy Sholar  
Ruby Smith



STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD

Michael Deno  
*Executive Director &  
General Counsel*  
555 W. Monroe Street  
Suite 800-N  
Chicago, IL 60661  
PHONE (312) 814-5554  
(800) 227-9429  
TTY (866) 451-5724

MANAGEMENT ASSERTION LETTER

January 29, 2025

Borschneck, Pelletier & Co.  
Certified Public Accountants  
200 E. Court St., Suite 608  
Kankakee, IL 60901

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Judicial Inquiry Board (Board). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Board's compliance with the following specified requirements during the two-year period ended June 30, 2024. Based on this evaluation, we assert that during the years ended June 30, 2024 and June 30, 2023, the Board has materially complied with the specified requirements listed below.

- A. The Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Board on behalf of the State or held in trust by the Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

State of Illinois, Judicial Inquiry Board

**SIGNED ORIGINAL ON FILE**

Michael Deno, Executive Director and General Counsel

**SIGNED ORIGINAL ON FILE**

Sharmayne Adams, Administrative Assistant

**STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
STATE COMPLIANCE EXAMINATION  
FOR THE TWO YEARS ENDED JUNE 30, 2024**

**STATE COMPLIANCE REPORT**

**SUMMARY**

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

**ACCOUNTANT'S REPORT**

The Independent Accountant's Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<u>Number of Findings</u>	<u>Current Report</u>	<u>Prior Report</u>
Repeated findings	3	5
Prior recommendations implemented or not repeated	2	2
	3	3

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>Current Findings</b>				
2024-001	8	2022/2016	Inadequate Controls over Cash Collections	Significant Deficiency and Noncompliance
2024-002	10	New	Failure to Submit Required Reports	Significant Deficiency and Noncompliance
2024-003	11	2022/2022	Weaknesses over Petty Cash Fund Maintenance	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
STATE COMPLIANCE EXAMINATION  
FOR THE TWO YEARS ENDED JUNE 30, 2024**

**Prior Findings Not Repeated**

A	13	2022/2020	Inadequate Controls over Contractual Services
B	13	2022/2022	Voucher Processing Internal Controls Not Operating Effectively
C	13	2022/2022	Failure to Fully Utilize the State's Enterprise Resource Planning System

**EXIT CONFERENCE**

The Judicial Inquiry Board waived an exit conference in a correspondence from Michael Deno, Executive Director on January 15, 2025. The responses to the recommendations were provided by Michael Deno, Executive Director, in a correspondence dated January 28, 2025.



Certified Public Accountants & Consultants

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815.933.1771 • fax: 815.933.1163

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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Governing Board  
State of Illinois, Judicial Inquiry Board

**Report on State Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Judicial Inquiry 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 the two years 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. The Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Board on behalf of the State or held in trust by the Board have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the 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 during the two years ended June 30, 2024, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2024-001 through 2024-003.

The Board's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Board's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

## **Report on Internal Control Over Compliance**

Management of the 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2024-001 through 2024-003 that we consider to be significant deficiencies.

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

The Board's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Board's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Kankakee, Illinois

January 29, 2025

**STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
SCHEDULE OF FINDINGS  
FOR THE TWO YEARS ENDED JUNE 30, 2024**

**CURRENT FINDINGS – STATE COMPLIANCE**

**2024-001 FINDING:** Inadequate Controls Over Cash Collections

The Judicial Inquiry Board (Board) did not timely deposit refund receipts and did not record refunds received into the State’s accounting system.

During Fiscal Years 2023 and 2024, the Board received three separate overpayment refunds totaling \$29. Two refunds were not deposited in the State treasury in a timely manner (one refund was deposited 4 days late and the other was deposited 13 days late). None of the refunds were recorded in the State’s Enterprise Resource Planning (ERP) System operated by the Department of Innovation and Technology (DoIT).

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2(a)) requires the Board to deposit receipts collected into the State Treasury within a specific number of business days, depending on the value of receipts on hand.

The State utilizes the ERP system for preparing the State-wide annual comprehensive financial report and other purposes. Good business practices require the Board to enter its refund transactions in the ERP system to ensure accurate financial reporting by all users.

This finding was first noted during the examination of the two years ended June 30, 2016. In subsequent years, the Board has not been successful in implementing a corrective action plan over timely deposits.

Board officials indicated one refund was deposited late due to timing of the receipt. The second was late because the Board was waiting on the third refund to arrive so a single deposit could be made. The Board also indicated its receipt accounting policies did not require recording the refunds in the ERP system in addition to providing the information to the Illinois Office of Comptroller for entry in the Statewide Accounting Management System.

Untimely deposit of receipts is noncompliance with the Act and reduces the amount of money available and interest earned for the State. Failure to record refunds in the ERP system distorts the Board’s financial information. (Finding Code No. 2024-001, 2022-001, 2020-001, 2018-001, 2016-001)

**RECOMMENDATION**

We recommend the Board timely deposit all receipts as required by the Act and record all refunds in the ERP system.

**BOARD RESPONSE**

The Board agrees with the finding. In 2023, the Board implemented the “CASH REFUNDS PROCEDURES AND PROCESSING INSTRUCTIONS”. These procedures have been updated to explicitly outline the timeline for depositing cash refunds as required by the Act.

**STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
SCHEDULE OF FINDINGS  
FOR THE TWO YEARS ENDED JUNE 30, 2024**

**CURRENT FINDINGS – STATE COMPLIANCE**

**2024-001 FINDING:** Inadequate Controls Over Cash Collections (Continued)

The Board disagrees with the assertion that its failure to record refunds in the ERP system distorts its financial information. The Board utilizes the ERP HANA reporting system, which accurately captures all financial transactions. Refunds are infrequent for the Board: since 2016, only 5 refunds have been issued. However, moving forward, the Board will ensure that all refunds are recorded in the ERP system.

**STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
SCHEDULE OF FINDINGS  
FOR THE TWO YEARS ENDED JUNE 30, 2024  
  
CURRENT FINDINGS – STATE COMPLIANCE**

**2024-002 FINDING:** Failure to Submit Required Reports

The Judicial Inquiry Board (Board) failed to submit required reports to the Illinois State Library.

During testing of the Board’s annual reports, we noted the Board failed to submit its Fiscal Year 2022 and Fiscal Year 2023 Annual Reports to the Illinois State Library.

The State Library Act (15 ILCS 320/21) requires the Board to provide and deposit with the Illinois State Library sufficient copies of all publications issued by the Board.

Board officials indicated the oversight was a misunderstanding, in which the Board did not believe its annual report was required to be deposited with the State Library.

Failure to submit annual reports represents noncompliance with statutory requirements and reduces information available to parties which may be used in making budget and policy decisions. (Finding Code No. 2024-002)

**RECOMMENDATION**

We recommend the Board ensure annual reports are submitted to the Illinois State Library.

**BOARD RESPONSE**

The Board agrees with the finding and will ensure that sufficient copies of all publications issued by the Board are submitted to the Illinois State Library.

**STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
SCHEDULE OF FINDINGS  
FOR THE TWO YEARS ENDED JUNE 30, 2024**

**CURRENT FINDINGS – STATE COMPLIANCE**

**2024-003 FINDING:** Weaknesses over Petty Cash Fund Maintenance

The Judicial Inquiry Board (Board) did not maintain its petty cash fund according to statute and Illinois Office of Comptroller (IOC) requirements.

During our testing of the Board's petty cash fund activity, we noted:

- The Calendar Year 2022 Petty Cash Fund Usage Report (C-18) was filed with the IOC on April 19, 2023 (78 days late).
- The reconciled petty cash balance exceeded the \$800 authorized amount for the entire examination period. The reconciled balance at the beginning of the examination period was \$554 in excess of the authorized amount and varied from \$550 to \$716 in excess of the authorized balance during Fiscal Years 2023 and 2024. We noted various errors including voided expenditures that were not corrected, transfers from the bank account to the cash on hand account were included in reimbursement requests, and a bank debit that did not get submitted.
- The May 2023 and June 2023 petty cash fund expenditures, totaling \$359, did not get vouchered and submitted at the end of the Fiscal Year 2023 and had to be reimbursed through the Court of Claims. The voucher requesting reimbursement was submitted on January 22, 2024.

The State Finance Act (Act) (30 ILCS 105/13.3) requires petty cash funds to be maintained on the imprest system.

The Statewide Accounting Management System (SAMS) (Procedure 09.10.40) requires:

- C-18s to be completed for those petty cash funds exceeding \$100 and filed with the IOC no later than January 31<sup>st</sup> for the preceding calendar year;
- the petty cash fund to be maintained on an imprest basis, i.e., cash on hand and in the bank plus vendors' invoices/petty cash vouchers plus reimbursement vouchers in transit must equal the amount of the established fund at all times; and,
- expenditures related to a fiscal year to be reimbursed from that fiscal year's lapsing appropriation.

Board officials indicated the exceptions were primarily due to clerical errors.

Failure to maintain petty cash funds on an imprest basis represents noncompliance with the Act. Failure to timely file C-18s with the IOC, failure to maintain the petty cash fund on an imprest basis, and failure to timely submit reimbursement requests results in noncompliance with SAMS and prevents the State from accumulating meaningful oversight information. (Finding Code No. 2024-003, 2022-003)

**STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
SCHEDULE OF FINDINGS  
FOR THE TWO YEARS ENDED JUNE 30, 2024**

**CURRENT FINDINGS – STATE COMPLIANCE**

**2024-003** **FINDING:** Weaknesses over Petty Cash Fund Maintenance (Continued)

**RECOMMENDATION**

We recommend the Board retain its petty cash fund within its authorized amount. We further recommend the Board comply with the Act and the SAMS procedures over its petty cash fund.

**BOARD RESPONSE**

The Board agrees with the finding. The Board will adhere to the recommendation and follow procedures and practices that comply with the Act and the SAMS procedures.

**STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
SCHEDULE OF FINDINGS  
FOR THE TWO YEARS ENDED JUNE 30, 2024**

**PRIOR FINDINGS NOT REPEATED**

**A. FINDING: Inadequate Controls over Contractual Services**

During the prior examination, the Judicial Inquiry Board (Board) did not maintain adequate controls over its contractual services expenditures.

During the current examination period, our testing did not identify any exceptions related to the Board's contractual services expenditures. (Finding Code No. 2022-002, 2020-004)

**B. FINDING: Voucher Processing Internal Controls Not Operating Effectively**

During the prior examination, the Board's internal controls over its voucher processing function were not operating effectively.

During the current examination period, our testing did not identify any exceptions related to the Board's voucher processing function or its internal controls. (Finding Code No. 2022-004)

**C. FINDING: Failure to Fully Utilize the State's Enterprise Resource Planning System**

During the prior examination, the Board did not utilize all capabilities of the State's Enterprise Resource Planning (ERP) System which resulted in unnecessary inefficiency.

During the current examination period, the Board utilized applicable capabilities of the State's ERP System, specific to the conditions outlined in the prior examination report finding. (Finding Code No. 2022-005)