

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
STATE COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2024

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

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**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

BOARD OFFICIALS

Executive Director	Mr. Michael O'Malley
Chief Administrative Law Judge (07/01/2022 – 12/31/2022)	Mr. Steven Waggoner
Chief Administrative Law Judge (01/01/2023 – 01/31/2024)	Ms. Carol Kirbach (Acting)
Chief Administrative Law Judge (02/01/2024 – 04/26/2024)	Ms. Audrey Cosgrove
Chief Administrative Law Judge (04/16/2024 – 09/30/2025)	Mr. Robert Osgood (Acting)
Chief Administrative Law Judge (10/01/2025 – Present)	Ms. Kristina Mucinskas
Chief Fiscal Officer / Human Resources Manager (07/01/2022 – 10/21/2024)	Mr. James Moffat
Human Resources Director (10/22/24 – Present)	Mr. James Moffat
Chief Fiscal Officer (09/01/2024 – Present)	Mr. Daniel Sronce
Chief Information Officer	Mr. David Suarez

GOVERNING BOARD MEMBERS

Board Member	Ms. Sarah Buckley
Board Member	Mr. James Billotta
Board Member	Ms. Dana Kinion
Board Member	Mr. Robert Steffen
Board Member	Mr. Kevin Freeman

BOARD OFFICES

The Board's primary administrative offices are located at:

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

Cook County Regional Office
115 South La Salle Street, Suite 602
Chicago, Illinois 60603



State of Illinois
PROPERTY TAX APPEAL BOARD

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(TTY) 800.526.0844

KEVIN L. FREEMAN
Chairman

MICHAEL I. O'MALLEY
Executive Director & General Counsel

Cook County Regional Office
115 South La Salle Street
Suite 602
Chicago, Illinois 60603
(T) 312.793.0015

December 2, 2025

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

Auditor General Mautino:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Property Tax Appeal 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, 2023, and June 30, 2024, 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.

BOARD MEMBERS

Jim Bilotta
Frankfort

Robert J. Steffen
South Barrington

Dana D. Kinion
Springfield

Sarah Buckley
Chicago

*

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December 2, 2025

- 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.

Yours truly,

State of Illinois, Property Tax Appeal Board

SIGNED ORIGINAL ON FILE

Michael O'Malley, Executive Director

SIGNED ORIGINAL ON FILE

Daniel Sronce, Chief Fiscal Officer

**STATE OF ILLINOIS
PROPERTY TAX APPEAL 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 or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	6	12
Repeated Findings	6	10
Prior Recommendations Implemented or Not Repeated	6	3

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2024-001	9	2022/2022	Voucher Processing Weaknesses	Material Weakness and Material Noncompliance
2024-002	11	2022/2004	Timeliness of Hearings	Material Weakness and Material Noncompliance
2024-003	13	2022/2020	Reporting Procedural Deficiencies	Significant Deficiency and Noncompliance
2024-004	15	2022/2018	Inadequate Control over Personal Services	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
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SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2024-005	18	2022/2020	Information Security Weaknesses	Significant Deficiency and Noncompliance
2024-006	21	2022/2020	Lack of Interagency Agreement with DoIT	Significant Deficiency and Noncompliance
Prior Findings Not Repeated				
A	23	2022/2018	Inadequate Controls over Equipment	
B	23	2022/2020	Inadequate Control over Receipts	
C	23	2022/2020	Inadequate Control over Reconciliations	
D	23	2022/2020	Inadequate Control over Timekeeping Files	
E	23	2022/2020	Inadequate Control over Agency Fee Imposition Reports	
F	24	2022/2022	Inadequate Control over Leased Equipment	

EXIT CONFERENCE

The Board waived an exit conference in a correspondence from Michael O'Malley, Executive Director, on November 25, 2025. The responses to the recommendations were provided by Michael O'Malley, Executive Director, in a correspondence dated November 25, 2025.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
State of Illinois, Property Tax Appeal Board

Report on State Compliance

We have examined compliance by the State of Illinois, Property Tax Appeal 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.

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 judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified 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.

Our examination disclosed material noncompliance with the following specified requirements applicable to the Board during the two years ended June 30, 2024. As described in the accompanying Schedule of Findings as items 2024-001 and 2024-002, the Board had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, 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 2024-003 through 2024-006.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2024-001 and 2024-002 to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings as items 2024-003 through 2024-006 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

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

Springfield, Illinois
December 2, 2025

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-001. **FINDING** (Voucher Processing Weaknesses)

The Property Tax Appeal Board's (Board) internal controls over its voucher processing function were not operating effectively during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning System (ERP) operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Board to determine whether certain key attributes were properly entered by the Board's staff into the ERP. In order to determine the operating effectiveness of the Board's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's Enterprise Resource Planning (ERP) System based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

Our testing noted 5 of 140 (4%) attributes were not properly entered into the ERP System. Therefore, the Board's internal controls over voucher processing **were not operating effectively**.

The Statewide Accounting Management System (SAMS) (Procedure 17.20.20) requires the Board to, after receipt of goods or services, verify the goods or services received met the stated specifications and prepare a voucher for submission to the Comptroller's Office to pay the vendor, including providing vendor information, the amount expended, and object(s) of expenditure. Further, the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.30) requires the Board to maintain records which reflect the date goods were received and accepted, the date services were rendered, and the proper bill date. Finally, the Fiscal Control and Internal Auditing Act (FCIAA) (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance expenditures are properly recorded and accounted for to maintain accountability over the State's resources.

Due to this condition, we qualified our opinion because we determined the Board had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-001. **FINDING** (Voucher Processing Weaknesses) – Continued

Even give the limitations noted above, we conducted an analysis of the Board's expenditures data for fiscal years 2023 and 2024 and noted the following:

- The Board did not timely approve 7 of 451 (2%) vouchers processed during the examination period, totaling \$1,227. We noted these vouchers were approved between 33 and 102 days after receipt of a proper bill or other obligating document.

The Code (74 Ill. Admin. Code 900.70) requires the Board to timely review each vendor's invoice and approve proper bills within 30 days after receipt.

The FCIAA (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Board officials indicated the items noted were due to not understanding the requirements and employee oversight.

Failure to properly enter key attributes into the State's ERP System when processing a voucher for payment hinders the reliability and usefulness of data extracted from the ERP System, which can result in improper interest calculations and expenditures. Further, failure to timely process proper bills and obligations due may result in noncompliance, unnecessary interest charges, and cash flow challenges for payees. (Finding Code No. 2024-001, 2022-001)

RECOMMENDATION

We recommend the Board design and maintain internal controls to provide assurance its data entry of key attributes into ERP is complete and accurate. Further, we recommend the Board timely approve proper bills and obligations due.

BOARD RESPONSE

The Board accepts the findings and will work to improve its controls over the voucher processing system.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024**

2024-002. **FINDING** (Timeliness of Hearings)

The Property Tax Appeal Board (Board) did not allow for the speedy hearing of all appeals.

During testing, we noted the Board did not allow for a speedy hearing of appeal cases. We analyzed 100% of the cases closed during the examination period and pending as of June 30, 2024, and noted the following:

- 61,548 of 100,768 (61%) cases were closed over two years from the receipt date.

Length of Time Taken to Complete Case				
Timeframe:	< 1 Year	1 – 2 Years	2 – 3 Years	> 3 Years
Total Number of Cases:	20,935 (21%)	18,285 (18%)	17,001 (17%)	44,547 (44%)

- 34,484 of 105,345 (33%) cases were pending over two years from the receipt date.

Length of Time Case was Pending as of June 30, 2024				
Timeframe:	< 1 Year	1 – 2 Years	2 – 3 Years	> 3 Years
Total Number of Cases:	36,819 (35%)	34,042 (32%)	26,397 (25%)	8,087 (8%)

The Property Tax Code (35 ILCS 200/16-180) requires the Board to provide for the speedy hearing of all appeals. Although speedy is not defined in this statute, we have used two years as a general criteria to gauge speedy hearings.

This finding was first noted in the Board’s State Compliance Examination for the two years ended June 30, 2004. Board officials have been unsuccessful in implementing a corrective action plan to remedy this condition.

As in the prior examination, Board management indicated the issues noted above were due to lack of personnel and human resources to complete the exponential increase in case load year after year and the backlog of cases.

Without adequate staffing to timely process property tax appeals, the Board jeopardizes compliance with its statutory mandate and the taxpayer is not adequately served. Additionally, due to the lack of staffing, the backlog of property tax appeal cases has become unmanageable. (Finding Code No. 2024-002, 2022-002, 2020-001, 2018-001, 2016-001, 2014-001, 12-1, 10-1, 08-1, 06-1, 04-2)

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024**

2024-002. **FINDING** (Timeliness of Hearings) – Continued

RECOMMENDATION

We recommend the Board work with the Governor and the General Assembly to increase its headcount, which will assist the Board in providing for the speedy hearing of all new appeals and decrease the backlog of appeals.

BOARD RESPONSE

The Board accepts the findings and is in the process of hiring additional staff to decrease number of pending appeals.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024**

2024-003. **FINDING** (Reporting Procedural Deficiencies)

The Property Tax Appeal Board (Board) did not comply with certain procedural requirements established by State laws, rules, and regulations.

During testing, we noted the following:

Agency Workforce Report

- The Board incorrectly classified 6 employees in the Fiscal Year 2023 Agency Workforce Report (Report) as professional employees.

The State Employment Records Act (Act) (5 ILCS 410/15(a)(v)) requires the Board to report the total number of persons employed within the Board's workforce as professionals and the percentage of those positions held by women, minorities, and persons with physical disabilities. The Act (5 ILCS 410/10(e)) defines "professional employee" as a person employed to perform employment duties requiring academic training, evidenced by a graduate or advanced degree from an accredited institution of higher education, and who, in the performance of those employment duties, may only engage in active practice of the academic training received when licensed or certified by the State of Illinois.

- The Board did not total the number of employees by category on the Fiscal Year 2023 Report.
- The Board did not properly total the number of female employees on the Fiscal Year 2022 Report.

The Act (5 ILCS 410/15(a)(i)) requires the Board to report the total number of persons employed by the agency who are part of the State workforce, as defined by this Act, and the number and statistical percentage of women minorities, and persons with physical disabilities employed within the agency workforce.

- The Board did not file corrected Fiscal Year 2020 or 2021 Reports in a timely manner; they were submitted 445 days late.

The Illinois State Auditing Act (30 ILCS 5/3-2.2(b)) states if the Auditor General determines a State agency has materially failed to comply with the requirements of the State Employment Records Act, the State agency,

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-003. **FINDING** (Reporting Procedural Deficiencies) – Continued

within 30 days after release of the audit by the Auditor General, shall prepare and file with the Governor and the Office of the Secretary of State corrected reports covering the periods affected by the noncompliance.

Public Accountability Report

The amounts reported on the Fiscal Year 2023 Public Accountability Report (PAR) did not agree to supporting documentation provided by the Board.

The Statewide Accounting Management System (SAMS) (Procedure 33.20.20) requires agencies to be able to substantiate their reports by maintaining adequate and appropriate documentation to support their mission statements, goals, objectives, and performance measures. This would include such elements as statutory or other authoritative sources for programs, mission statements, goals and objectives, definitions of performance indicators and data, the data collection and reporting process, the data storage and retrieval environment, etc. While the Board is not required to complete the PAR, they voluntarily submit the report. Any report submitted, required or voluntary, should contain accurate information.

Board officials stated, as they did in the prior examination, the issues noted were due to competing priorities, employee error, and lack of resources.

Failure to file and submit accurate annual reports results in noncompliance with the Illinois Compiled Statutes and reduces available information which may be used in making budget and policy decisions. (Finding Code No. 2024-003, 2022-009, 2020-009)

RECOMMENDATION

We recommend the Board ensure its reports are accurate and timely submitted in accordance with State statute and administrative rules.

BOARD RESPONSE

The Board accepts the findings and anticipates that it will provide accurate and timely reports going forward.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024**

2024-004. **FINDING** (Inadequate Control over Personal Services)

The Property Tax Appeal Board (Board) did not exercise adequate controls over personal services.

During testing of 18 performance evaluations for 9 employees selected for testing, we noted the following:

- Eleven of 18 (61%) evaluations selected for testing were not maintained in the employee's personnel file.

The Illinois Administrative Code (80 Ill. Admin. Code 302.270(d)) requires the Board to prepare a performance evaluation for each certified employee no less often than annually.

In addition, the State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the policies, decisions, and procedures designed to protect the legal and financial rights of the State.

Lastly, the Fiscal Control and Internal Auditing Act (FCIAA) (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative control. Effective internal controls should include procedures to ensure personnel evaluations are properly completed and maintained in each employee's personnel file.

During testing of timekeeping files, we noted the following:

- Eight of 121 (7%) leave slips tested, for 4 of 9 (44%) employees, were approved by the employee's supervisor between 1 and 9 days after the leave was taken.

The Board's Employee Handbook, Section 3.6, requires an employee to obtain approval prior to use of vacation time.

- Twenty-nine of 175 (17%) timesheets tested, for 8 of 9 (89%) employees, were submitted between 2 and 17 days late.

The Board's Timesheet Procedures states employees are responsible for electronically recording, certifying, and submitting hours worked and/or available benefit time used. These reports are submitted to supervisors weekly for review and approval. This does not align with the Board's Employee Handbook as it has not been updated.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024**

2024-004. **FINDING** (Inadequate Control over Personal Services) – Continued

During payroll testing, we noted:

- For 1 of 9 (11%) employees tested, the Board had inappropriately classified the employee as completing a pre-2020 Form W-4 in the Central Payroll System although they actually completed a post-2020 form. As a result, auditors were unable to recalculate the employee's Federal withholding.

The Internal Revenue Service Publication 15-T, Employer's Tax Guide, requires employers to withhold federal income tax from each wage payment or supplemental unemployment compensation plan benefit payment according to the employee's Form W-4 and the correct withholding table. Further, the Office of Comptroller's Payroll Bulletin 5-22 stipulates the applicable withholding rates for the amounts to be withheld.

- For 4 of 9 (44%) employees tested, the auditor's recalculation did not agree to the voucher for the federal withholding amount.

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

During testing of personnel files, we noted:

- Four of 9 (44%) employees tested did not fully complete the I-9 Form. Errors included blank pages, missing dates, and missing pages in the personnel file.

The State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the policies, decisions, and procedures designed to protect the legal and financial rights of the State.

This finding was first noted in the Board's State Compliance Examination for the two years ended June 30, 2018. Board officials have been unsuccessful in implementing a corrective action plan to remedy these conditions.

During the previous and current engagement, Board officials indicated the issues related to performance evaluations noted were due to employee error. During the previous and current engagement, Board officials indicated the issues related to timekeeping files were due to outdated written employee policies and procedures which do not reflect the current practices of the Board. During the current

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024**

2024-004. **FINDING** (Inadequate Control over Personal Services) – Continued

engagement, Board officials indicated the issues related to payroll and personnel files were due to employee oversight and indicated they believed the Office of Comptroller would notify the Board if federal tax withholding errors were identified.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. In addition, failure to establish and maintain adequate controls over employee files and employee submissions of time off could lead to errors in employee leave balances and employee time worked. Failure to establish and maintain adequate controls over employee payroll and files could lead to errors in employee pay and employee information and lead to errors in employee tax files. (Finding Code No. 2024-004, 2022-006, 2020-006, 2018-003)

RECOMMENDATION

We recommend the Board strengthen its internal controls over personal services to ensure adequate maintenance of personnel and payroll records. We further recommend the Board ensure leave slips and timesheets are approved and submitted timely, in accordance with Board policies.

BOARD RESPONSE

The Board accepts the findings. The Board anticipates improved internal controls over personal services going forward. The Board is in the process of updating its employee handbook to reflect updated policy utilizing eTIME in regard to leave requests and time submissions.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-005. **FINDING** (Information Security Weaknesses)

The Property Tax Appeal Board (Board) had computer security weaknesses.

During testing, we noted the following:

- The Board utilizes the Department of Innovation and Technology (DoIT) as a service provider for its Central Payroll System (CPS) and Central Time and Attendance System (CTAS) applications as well as the Enterprise Resource Planning (ERP) Program. The Board is responsible for complying with Complementary User Entity Controls (CUECs) identified in the DoIT System and Organization Controls (SOC) reports. During our testing, we noted the Board did not conduct a formal review of the Fiscal Year 2023 and Fiscal Year 2024 DoIT SOC reports.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Maintenance and System and Service Acquisition sections, requires entities outsourcing their IT environment or operations to obtain assurance over the entities' internal controls related to the services provided. Such assurance may be obtained via System and Organization Control reports or independent reviews.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the Board's cybersecurity program, practices, and control of confidential information, we noted the following:

- The Board relied on DoIT to complete backups of their critical applications and has not established an internal backup policy. Additionally, the Board has not verified the integrity of the backups performed by DoIT.
- The Board had not tested its disaster contingency plan to ensure timely recovery of critical computer systems during the examination period.
- The Board failed to develop a risk management plan or perform a comprehensive risk assessment during the examination period to assess and identify risks and vulnerabilities and ensure adequate protection of information most susceptible to attack.
- The Board had not developed internal comprehensive classification policies to establish the Board's data types and respective risks.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-005. **FINDING** (Information Security Weaknesses) – Continued

- The Board had not developed system development standards to help monitor and maintain their internal applications.
- The Board did not provide documentation annual reviews of users' access were performed for either Fiscal Year 2023 or Fiscal Year 2024.
- The Board failed to revoke inappropriate Governance, Risk and Compliance (GRC) access from four users for ERP.

The *Framework for Improving Critical Infrastructure Cybersecurity and the Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology requires entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

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

During the prior examination, Board officials indicated the issues noted were due to competing priorities and indicated DoIT has systems in place to monitor the Board's systems and the Board does not have control over their servers and desktops. During the current examination, Board management indicated the issues noted pertaining to SOC report reviews were due to lack of training on the requirement and management not aware of the ability to obtain information needed. Board management also indicated they rely on DoIT for the Board's security controls. Management also indicated some of the issues noted were due to inadequate staffing and competing priorities.

Without obtaining and reviewing SOC reports or another form of independent internal control review, the Board does not have assurance the service provider's internal controls are adequate. Additionally, the lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities, which could ultimately lead to the Board's confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2024-005, 2022-010, 2020-010)

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024**

2024-005. **FINDING** (Information Security Weaknesses) – Continued

RECOMMENDATION

We recommend the Board:

- Perform a formal review of the SOC Reports and Complementary User Entity Controls;
- Establish an internal backup policy and verify backups;
- Test a disaster contingency plan;
- Develop a risk management plan and perform a comprehensive risk assessment;
- Develop internal comprehensive classification policies;
- Develop system development standards;
- Document annual reviews of users' access; and,
- Revoke inappropriate GRC access from users for ERP.

BOARD RESPONSE

The Board agrees with the finding. Board staff is actively working on reporting and documentation of each of the listed recommendations and has reached out to DoIT for additional guidance.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
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2024-006. **FINDING** (Lack of Interagency Agreement with DoIT)

The Property Tax Appeal Board (Board) failed to execute an interagency agreement with the Department of Innovation and Technology (DoIT).

During testing, we noted the Board did not have an executed interagency agreement with the DoIT to ensure the services provided, roles and responsibilities, and the available security mechanisms were in place in order to protect the security, processing integrity, availability, and confidentiality of the Board's systems and data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and to maintain accountability over the State's resources. The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), System and Services Acquisition section, requires entities to document the services, roles, responsibilities, and required security controls when outsourcing services.

During the previous engagement, Board officials stated it had declined to enter into an interagency agreement, as the Board's IT staff work independently on the Board's system and the Board does not want its IT employees to become DoIT employees. During the current engagement, Board officials indicated they were working on an agreement with DoIT but did not fully execute an interagency agreement with DoIT until Fiscal Year 2025 through Fiscal Year 2028.

Failure to have a formal agreement with DoIT reduces assurance of the adequacy of controls to ensure the security, processing integrity, availability, and confidentiality of its systems and data. (Finding Code No. 2024-006, 2022-011, 2020-011)

RECOMMENDATION

We recommend the Board execute, and comply with, a detailed interagency agreement with DoIT to ensure prescribed requirements and available security mechanisms are in place to protect the security, processing integrity, availability, and confidentiality of its systems and data.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024**

2024-006. **FINDING** (Lack of Interagency Agreement with DoIT) – Continued

BOARD RESPONSE

The Board accepts the finding. The Board executed an Interagency Agreement with DoIT in fiscal year 2025 through fiscal year 2028.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2024

A. **FINDING** (Inadequate Controls over Equipment)

During the prior examination, the Property Tax Appeal Board (Board) failed to establish adequate controls over its State property records and related reporting.

During the current examination, our sample testing did not identify any exceptions related to controls over State property records and related reporting. (Finding Code No. 2022-003, 2020-002, 2018-002)

B. **FINDING** (Inadequate Control over Receipts)

During the prior examination, the Board did not maintain adequate controls over its receipts process and recordkeeping.

During the current examination, our sample testing indicated the Board improved controls over receipts. (Finding Code No. 2022-004, 2020-003)

C. **FINDING** (Inadequate Control over Reconciliations)

During the prior examination, the Board did not maintain adequate controls over its monthly reconciliations.

During the current examination, our testing indicated the Board improved controls over its reconciliations. (Finding Code No. 2022-005, 2020-004)

D. **FINDING** (Inadequate Control over Timekeeping Files)

During the prior examination, the Board did not maintain adequate controls over its timekeeping files.

During the current examination, the exceptions related to timekeeping files were combined with other personal services issues into Finding 2024-004. (Finding Code No. 2022-007, 2020-007)

E. **FINDING** (Inadequate Control over Agency Fee Imposition Reports)

During the prior examination, the Board did not maintain adequate controls over its Agency Fee Imposition Reports.

During the current examination, our testing did not identify any exceptions related to controls over Agency Fee Imposition Reports. (Finding Code No. 2022-008, 2020-008)

**STATE OF ILLINOIS
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F. **FINDING** (Inadequate Control over Leased Equipment)

During the prior examination, the Board did not exercise adequate control over leased equipment.

During the current examination, our testing did not identify any exceptions related to controls over leased equipment. (Finding Code No. 2022-012)