



**STATE EMPLOYEES' RETIREMENT
SYSTEM OF ILLINOIS**

COMPLIANCE EXAMINATIONS OF PENSION CENSUS
DATA

For the Year Ended June 30, 2024

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



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STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
COMPLIANCE EXAMINATIONS OF PENSION CENSUS DATA

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STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
COMPLIANCE EXAMINATIONS OF PENSION CENSUS DATA
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DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2024

DEPARTMENT OFFICIALS

Director (03/07/24 – Present)	Ms. Raven DeVaughn
Director (Acting) (07/01/23 – 03/06/24)	Ms. Raven DeVaughn
Assistant Director (05/24/24 – Present)	Mr. Aundra Williams
Assistant Director (Acting) (07/01/23 – 05/23/24)	Mr. Aundra Williams
Chief of Staff	Mr. Patrick Nolan
Chief Administrative Officer	Ms. Sarah Kerley
Chief Operating Officer (Acting) (07/10/23 – Present)	Mr. William McCarty
Chief Operating Officer (Acting) (07/01/23 – 07/09/23)	Mr. Sean Neuert
Chief Financial Officer	Ms. Karen Pape
General Counsel (12/01/23– Present)	Ms. CoreyAnne Gulkewicz
General Counsel (Acting) (07/01/23 – 11/30/23)	Ms. CoreyAnne Gulkewicz
Chief Internal Auditor (10/16/23 – Present)	Mr. Butch Stilwell
Chief Internal Auditor (Acting) (07/01/23 – 10/15/23)	Ms. Dawn Meier

DEPARTMENT OFFICES

The Department of Central Management Service’s main offices are located at:

State of Illinois Building
555 W. Monroe Street
Chicago, Illinois 60661

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



MANAGEMENT ASSERTION LETTER

February 24, 2025

Sikich CPA, LLC
3051 Hollis Drive, 3rd Floor
Springfield, IL 62704

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 Central Management Services (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 code 1120 were complete, accurate, and in accordance with applicable laws, rules, and regulations.

State of Illinois, Department of Central Management Services

SIGNED ORIGINAL ON FILE

Raven DeVaughn, Director

SIGNED ORIGINAL ON FILE

Karen Pape, Chief Financial Officer

SIGNED ORIGINAL ON FILE

CoreyAnne Gulkewicz, General Counsel

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2024

EXAMINATION 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	<u>Current Report</u>	<u>Prior Report</u>
Findings	0	0
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	0	0

EXIT CONFERENCE

The Illinois Department of Central Management Services waived an exit conference in a correspondence from Amy Lange, External Audit Coordinator, on January 27, 2025.

3051 Hollis Drive, 3rd Floor
Springfield, IL 62704
217.793.3363

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Ms. Raven DeVaughn
Director
State of Illinois, Department of Central Management Services

External Auditors
State of Illinois, Department of Central Management Services

Board of Trustees
State Employees' Retirement System of Illinois

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

Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by management of the State of Illinois, Department of Central Management 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 State Employees' Retirement System (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 judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

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

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.

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

Springfield, Illinois
February 24, 2025

DEPARTMENT OF TRANSPORTATION

**STATE OF ILLINOIS
DEPARTMENT OF TRANSPORTATION**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2024**

DEPARTMENT OFFICIALS

Secretary (Acting) (01/13/25 – Present)	Ms. Gia Biagi
Secretary (Interim) (01/01/25 – 01/12/25)	Mr. Terrence Glavin
Secretary (07/01/23 – 12/31/24)	Mr. Omer Osman
Assistant Secretary	Vacant
Chief of Staff (06/01/24 – Present)	Mr. Art Moore
Chief of Staff (07/01/23 – 05/31/24)	Vacant
Deputy Chief of Staff	Vacant
Chief Operating Officer (09/01/23 – Present)	Mr. John Donovan
Chief Operating Officer (07/01/23 – 08/31/23)	Vacant
Chief Fiscal Officer	Ms. Vicki Wilson
Director, Office of Communications	Mr. Guy Tridgell
Director, Office of Legislative Affairs (08/16/23 – Present)	Mr. Aaron Gold-Stein
Director, Office of Legislative Affairs (07/01/23 – 08/15/23)	Vacant
Director, Office of Finance and Administration	Ms. Vicki Wilson
Deputy Director, Office of Finance and Administration	Mr. Matt Magalis
Director, Office of Business and Workforce Diversity (09/18/23 – Present)	Ms. Brandy Phillips
Director, Office of Business and Workforce Diversity (07/01/23 – 09/17/23)	Vacant
Deputy Director, Office of Business and Workforce Diversity (10/01/24 – Present)	Mr. Brian Hendricks
Deputy Director, Office of Business and Workforce Diversity (07/01/23 – 09/30/24)	Vacant
Director/Chief Legal Counsel, Office of Chief Counsel (05/01/24 – Present)	Mr. Michael Prater
Director/Chief Legal Counsel, Office of Chief Counsel (Acting) (07/01/23 – 04/30/24)	Mr. Michael Prater
Director/Chief Internal Auditor, Office of Internal Audit	Mr. Stephen Kirk
Deputy Secretary of Communications and Legislative Affairs	Mr. Jeremy LaMarche

**STATE OF ILLINOIS
DEPARTMENT OF TRANSPORTATION**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2024**

DEPARTMENT OFFICIALS – Continued

Deputy Secretary of Administration, Diversity and Legal Affairs	Mr. Terrence Glavin
Deputy Secretary of Project Implementation	Vacant
Director, Office of Planning and Programming	Ms. Holly (Ostdick) Bieneman
Deputy Director, Office of Planning and Programming	Ms. Elizabeth Irvin
Director, Office of Highways Project Implementation (12/16/24 – Present)	Ms. Lora Rensing
Director, Office of Highways Project Implementation (08/01/24 – 12/15/24)	Vacant
Director, Office of Highways Project Implementation (07/01/23 – 07/31/24)	Mr. Stephen Travia
Deputy Director, Office of Highways Project Implementation	Mr. Justan Mann
Director, Office of Intermodal Project Implementation	Mr. Jason Osborn
Deputy Director, Rail, Office of Intermodal Project Implementation (12/09/24 – Present)	Ms. Carrie Cooper
Deputy Director, Rail, Office of Intermodal Project Implementation (01/01/24 – 12/08/24)	Vacant
Deputy Director, Rail, Office of Intermodal Project Implementation (07/01/23 – 12/31/23)	Mr. John Oimoen
Deputy Director, Transit, Office of Intermodal Project Implementation	Ms. Ashounta Reese
Deputy Director, Aeronautics, Office of Intermodal Project Implementation	Mr. Clayton Stambaugh

DEPARTMENT OFFICES

The Department of Transportation’s primary administrative offices are located at:

2300 S. Dirksen Parkway
Springfield, IL 62764

69 W. Washington Street
Chicago, IL 60602



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois 62764

MANAGEMENT ASSERTION LETTER

February 13, 2025

Sikich CPA, LLC
3051 Hollis Drive, 3rd Floor
Springfield, IL 62704

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 Transportation (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.



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois 62764

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.

Yours truly,

State of Illinois, Department of Transportation

SIGNED ORIGINAL ON FILE

Gia Biagi, Acting Secretary

SIGNED ORIGINAL ON FILE

Vicki Wilson, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Michael Prater, Director/Chief Legal Counsel

**STATE OF ILLINOIS
DEPARTMENT OF TRANSPORTATION**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2024**

EXAMINATION 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	<u>Current Report</u>	<u>Prior Report</u>
Findings	0	0
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	0	0

EXIT CONFERENCE

The Illinois Department of Transportation waived an exit conference in a correspondence from Kayla Routh, External Audit Coordinator, on January 27, 2025.

3051 Hollis Drive, 3rd Floor
Springfield, IL 62704
217.793.3363

SIKICH.COM

INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Ms. Gia Biagi
Acting Secretary
State of Illinois, Department of Transportation

External Auditors
State of Illinois, Department of Transportation

Board of Trustees
State Employees’ Retirement System of Illinois

Mr. Timothy B. Blair
Executive Secretary
State Employees’ Retirement System of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by management of the State of Illinois, Department of Transportation (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 State Employees’ Retirement System (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 judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

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

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.

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

Springfield, Illinois
February 13, 2025

DEPARTMENT OF INNOVATION AND TECHNOLOGY

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2024

DEPARTMENT OFFICIALS

Secretary (05/24/24 – Present)	Mr. Sanjay Gupta
Secretary (Acting) (07/01/23 – 05/23/24)	Mr. Sanjay Gupta
Deputy Secretary (05/24/24 – Present)	Mr. Brandon Ragle
Deputy Secretary (Acting) (07/01/23 – 05/23/24)	Mr. Brandon Ragle
Assistant Secretary	Vacant
Chief of Staff	Ms. Jenifer Johnson
Chief Administrative Officer	Mr. Albert Coll
Chief Internal Auditor	Mr. John Valtierra
Chief Fiscal Officer	Ms. Mary Feagans
General Counsel (12/01/23 – Present)	Ms. Radhika Lakhani
General Counsel (07/01/23 – 11/30/23)	Ms. Margaret Van Dijk

DEPARTMENT OFFICE

The Department of Innovation and Technology’s primary administrative office is located at:

120 West Jefferson Street
Springfield, IL 62702

MANAGEMENT ASSERTION LETTER

February 20, 2025

Sikich CPA, LLC
3051 Hollis Driver, 3rd Floor
Springfield, IL 62704

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 Innovation and Technology (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. General Revenue Fund payroll paid by the Department during the allocation year ended June 30, 2024, 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 Innovation and Technology

SIGNED ORIGINAL ON FILE

Sanjay Gupta, Secretary

SIGNED ORIGINAL ON FILE

Mary Feagans, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Radhika Lakhani, General Counsel

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2024

EXAMINATION 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	<u>Current Report</u>	<u>Prior Report</u>
Findings	0	0
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	0	0

EXIT CONFERENCE

The Illinois Department of Innovation and Technology waived an exit conference in a correspondence from Kelly Guerrero, External Audit Coordinator, on January 30, 2025.

3051 Hollis Drive, 3rd Floor
Springfield, IL 62704
217.793.3363

SIKICH.COM

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Mr. Sanjay Gupta
Secretary
State of Illinois, Department of Innovation and Technology

External Auditors
State of Illinois, Department of Innovation and Technology

Board of Trustees
State Employees' Retirement System of Illinois

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

Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by management of the State of Illinois, Department of Innovation and Technology (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 State Employees' Retirement System (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. General Revenue Fund payroll paid by the Department during the allocation year ended June 30, 2024, 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 judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

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

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.

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

Springfield, Illinois
February 20, 2025

DEPARTMENT OF CORRECTIONS

**STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2024**

DEPARTMENT OFFICIALS

Director (Acting)	Ms. Latoya Hughes
Assistant Director (04/11/24 – Present)	Ms. Alyssa Williams
Assistant Director (Acting) (07/01/23 – 04/10/24)	Ms. Alyssa Williams
Chief of Staff (01/01/24 – Present)	Mr. Daniel Monti
Chief of Staff (07/01/23 – 12/31/24)	Vacant
Chief Legal Counsel	Mr. Robert Fanning
Chief Administrative Officer	Mr. Jared Brunk
Chief Fiscal Officer	Mr. James Deen
Chief Internal Auditor	Ms. Amy Jenkins
Chief Information Officer (06/16/24 – Present)	Mr. Jerald Setnicky
Chief Information Officer (Acting) (05/04/24 – 06/15/24)	Vacant
Chief Information Officer (07/01/23 – 05/03/24)	Mr. Christopher McDaniel

CORRECTIONAL INDUSTRIES

Chief Executive Officer	Ms. Kim Larson
Assistant Chief Executive Officer	Mr. Greg Runyan
Chief Financial Manager	Vacant

DEPARTMENT OFFICE

The Department of Correction's primary administrative office is located at:

1301 Concordia Court
Springfield, IL 62794



The Illinois Department of Corrections

1301 Concordia Court, P.O. Box 19277 • Springfield, IL 62794-9277 • (217) 558-2200 TDD: (800) 526-0844

MANAGEMENT ASSERTION LETTER

February 13, 2025

Sikich CPA, LLC
3051 Hollis Drive, 3rd Floor
Springfield, IL 62704

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 Corrections (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.

Mission: To serve justice in Illinois and increase public safety by promoting positive change for those in custody, operating successful reentry programs, and reducing victimization.

- 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 were complete, accurate, and in accordance with applicable laws, rules, and regulations.

Yours truly,

State of Illinois, Department of Corrections

SIGNED ORIGINAL ON FILE

Latoya Hughes, Acting Director

SIGNED ORIGINAL ON FILE

James Deen, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Robert Fanning, Chief Legal Counsel

**STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS**

**COMPLIANCE EXAMINATION OF PENSION CENSUS DATA
For the Year Ended June 30, 2024**

EXAMINATION 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	<u>Current Report</u>	<u>Prior Report</u>
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	31	2023/2022	Inaccurate Census Data	Significant Deficiency and Noncompliance

EXIT CONFERENCE

The Illinois Department of Corrections waived an exit conference in a correspondence from Amy Jenkins, Chief Internal Auditor, on January 30, 2025.

3051 Hollis Drive, 3rd Floor
Springfield, IL 62704
217.793.3363

SIKICH.COM

**INDEPENDENT ACCOUNTANT’S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE**

Honorable Frank J. Mautino
Auditor General
State of Illinois

Honorable Susana M. Mendoza
Comptroller
State of Illinois

Ms. Latoya Hughes
Acting Director
State of Illinois, Department of Corrections

External Auditors
State of Illinois, Department of Corrections

Board of Trustees
State Employees’ Retirement System of Illinois

Mr. Timothy B. Blair
Executive Secretary
State Employees’ Retirement System of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by management of the State of Illinois, Department of Corrections (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 State Employees’ Retirement System (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 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 judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Department complied, in all material respects, with the specified requirements 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 an instance of noncompliance with the specified requirements, which is required to be reported in accordance with criteria established by the *Audit Guide* and is 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.

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

Springfield, Illinois
February 13, 2025

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SCHEDULE OF FINDINGS – CURRENT FINDING
For the Year Ended June 30, 2024

2024-001. **FINDING** (Inaccurate Census Data)

The Department of Corrections (Department) had certain deficiencies in their 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 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 backwards testing component of the census examination, the auditors identified one of forty (3%) employees included on Department payroll reports with an incorrect retirement deduction code.

This finding was first noted during the Department's Fiscal Year 2022 compliance examination of census data. In the years since the finding was first noted, the Department has not been successful in implementing a corrective action plan to remedy this deficiency.

The State Records Act (5 ILCS 160/8) requires the Department 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.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
SCHEDULE OF FINDINGS – CURRENT FINDING
For the Year Ended June 30, 2024

2024-001. **FINDING** (Inaccurate Census Data) – Continued

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 management stated the issue was due to employee 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, 2023-001, 2022-001).

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.

DEPARTMENT RESPONSE

The Department agrees with the auditor's recommendation. Direction will be resent to payroll staff reminding them to ensure they are reviewing the retirement coding on the Illinois Department of Central Management Services Personnel/Position Action Form (CMS-2) when entering staff onto the system.