



STATE OF ILLINOIS
**OFFICE OF THE
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF EMPLOYMENT SECURITY

State Compliance Examination
 For the Two Years Ended June 30, 2023

Release Date: September 26, 2024

FINDINGS THIS AUDIT: 23				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Category 1:	3	3	6	2022		8	
Category 2:	4	13	17	2021	1	11, 14, 15, 16, 18, 19, 20	
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>	2020	2, 5		
TOTAL	7	16	23	2019		17	
				2017		9, 10	
				2015		12	
				2003		13	
FINDINGS LAST AUDIT: 26							

INTRODUCTION

This digest covers our State compliance examination of the Department of Employment Security (Department) for the two years ended June 30, 2023. A separate financial audit of the Unemployment Compensation Trust Fund as of and for the year ended June 30, 2023, was previously released on August 15, 2024. In total, this report contains 23 findings, 8 of which were also reported in the financial audit.

SYNOPSIS

- (23-10) The Department did not fully comply with the requirements of the State’s Election Code (Code).
- (23-21) The Department did not timely publish the semi-annual State’s Average Weekly Wage reports in covered industries under the Unemployment Insurance Act.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

NONCOMPLIANCE WITH THE ELECTION CODE

The Department of Employment Security (Department) did not fully comply with the requirements of the State’s Election Code (Code).

During testing of the Department’s compliance with the Code, we noted the following:

Department has not established and operated a voter registration system

- The Department has not established and operated a voter registration system capable of transmitting voters’ registration information to the State Board of Elections’ portal.
- The Department has not entered into an agreement with the State Board of Elections to transmit information required under the Electronic Registration Information Center Membership Agreement.
- The Department’s voter registration form posted on its website did not contain a space for the person to fill in his or her e-mail address, if he or she chooses to provide that information. (Finding 10, pages 24-25)

This finding has been reported since 2017.

We recommended the Department seek funding necessary to fulfill the requirements of the Code. In addition, we recommended the Department enter into an agreement with the State Board of Elections to deliver the related required information under the Electronic Registration Information Center Membership Agreement, as well as provide a downloadable version of the voter registration form on its website which contains a space for an e-mail address.

Department accepted recommendations

The Department accepted our recommendations.

UNTIMELY PUBLISHING OF STATE’S AVERAGE WEEKLY WAGE

The Department did not timely publish the semi-annual State’s Average Weekly Wage reports in covered industries under the Unemployment Insurance Act.

75% of State’s Average Weekly Wage reports published late

During our testing, we noted three of four (75%) semi-annual State’s Average Weekly Wage reports in Fiscal Years 2022 and 2023 were published on the Department’s website between 57 and 62 days late. (Finding 21, page 42)

We recommended the Department implement policies and procedures to ensure the State’s Average Weekly Wage

reports are published timely in accordance with the Workers' Compensation Act.

**Department accepted
recommendations**

The Department accepted our recommendation.

OTHER FINDINGS

The remaining findings are reportedly being given attention by Department personnel. We will review the Department's progress towards the implementation of our recommendations in our next State compliance examination.

AUDITOR'S OPINION

The financial audit report was previously released. The auditors qualified their opinion on the statement of revenues, expenses, and changes in net position and cash flows of the Unemployment Compensation Trust Fund of the Department of Employment Security (Department). Except for this matter, the auditors stated the financial statements of the Unemployment Compensation Trust Fund of the Department as of and for the year ended June 30, 2023, are fairly stated in all material respects.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the Department of Employment Security (Department) for the two years ended June 30, 2023, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2023-001 through 2023-006. Except for the noncompliance described in these findings, the accountants stated the Department complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by RSM US LLP.

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JANE CLARK
Division Director

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

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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