



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS GENERAL ASSEMBLY – HOUSE OF REPRESENTATIVES

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

Release Date: October 3, 2024

FINDINGS THIS AUDIT: 4	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2021		1, 3	
Category 2:	2	2	4				
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	2	2	4				
FINDINGS LAST AUDIT: 3							

SYNOPSIS

- (23-4) The House of Representatives had not implemented adequate internal controls over its service providers.

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

INADEQUATE CONTROLS OVER THE REVIEW OF INTERNAL CONTROLS FOR SERVICE PROVIDERS

The House had not implemented adequate internal controls over its service providers.

SOC reports not obtained or reviewed

The Office of the Clerk of the House (Office) and the House Democratic Leadership did not provide their populations of service providers utilized to determine if they had reviewed internal controls over their service providers. The Office and the House Democratic Leadership utilized two service providers each but did not obtain System and Organization Control (SOC) reports from its service providers or conduct independent internal control reviews of the service providers.

SOC reports not provided

House Republican Leadership did not provide 6 of 11 (55%) of their service providers' SOC reports for our testing. Of the 5 SOC reports which were provided for our review, we noted the following:

Subservice organizations and related weaknesses not identified

- For 1 of 5 SOC reports tested (20%), House Republican staff noted there were no subservice organizations noted in the report, whereas our review of the SOC reports identified subservice organizations and related control weaknesses cited in the report.
- For 5 of 5 SOC reports tested (100%) where Complementary Subservice Organization Controls (CSOCs) were identified, the documentation did not include the agency's assessment of the controls associated with the use of subservice organizations or documentation that they performed alternative procedures to determine the impact on its internal control environment.
- For 4 SOC reports tested where Complementary User Entity Controls (CUECs) were identified (100%), the documentation did not include the Agency's detailed analysis of the CUECs and controls in place to address those CUECs identified in the SOC reports. (Finding 4, pages 20-22)

Review documentation did not reflect analysis of all controls

We recommended the House implement internal controls over service providers to include the following:

- Develop a process to identify and document all service providers utilized on an annual basis;
- Obtain SOC reports or perform independent reviews of internal controls associated with service providers at least annually;
- Analyze the SOC reports obtained to determine and document the impact of the report's opinion and noted deviations;

- Obtain and review subservice provider SOC reports; and
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the House, and any compensating controls.

Agency agreed

The Office of the Clerk of the House stated they concur and will implement regular reviews of service provider SOC reports. The House – Democratic Leadership concurs with this finding and will conduct internal control reviews of the EDP service providers in the future. House Republican Leadership stated they accept that HGOP will review and document SOC reports from subservice providers that meet the review criteria as stated and will also review and document complementary user entity controls. The HGOP will investigate proper procedures and permissions within non-disclosure agreements as to whether SOC reports may be made visually available to outside auditors.

OTHER FINDINGS

The remaining findings pertain to personnel and information technology. We will review the Agency’s progress towards the implementation of our recommendations in our next State compliance examination.

ACCOUNTANT’S OPINION

The accountants conducted a State compliance examination of the Agency for the two years ended June 30, 2023, as required by the Illinois State Auditing Act. The accountants stated the House of Representatives complied, in all material respects, with the requirements describe in the report.

This State compliance examination was conducted by Adelfia LLC.

SIGNED ORIGINAL ON FILE

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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