



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS GAMING BOARD
FUND 129 - STATE GAMING FUND

Financial Audit
For the Year Ended June 30, 2023

Release Date: January 11, 2024

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2012		23-1	
Category 2:	0	1	1				
Category 3:	0	0	0				
TOTAL	0	1	1				
FINDINGS LAST AUDIT: 1							

INTRODUCTION

This digest covers the State Gaming Fund of the Illinois Gaming Board’s (Board) Financial Audit as of and for the year ended June 30, 2023.

SYNOPSIS

- (23-1) The Illinois Gaming Board (Board) failed to implement an effective change management process to control changes to their applications and data.

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.

ILLINOIS GAMING BOARD
FINANCIAL AUDIT - STATE GAMING FUND
For the Year Ended June 30, 2023

REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - Governmental fund (in thousands)	FY 2023	FY 2022
REVENUES		
Casino taxes.....	\$ 380,121	\$ 345,808
Licenses and fees.....	10,453	9,496
Other.....	2	-
Total revenues.....	<u>390,576</u>	<u>355,304</u>
EXPENDITURES		
Public protection and justice.....	52,349	49,525
Intergovernmental.....	102,826	84,844
Health and social services.....	7,763	6,194
Debt service.....	50	34
Capital outlay.....	96	-
Total expenditures.....	<u>163,084</u>	<u>140,597</u>
OTHER SOURCES (USES)		
Transfers-out	(227,588)	(213,707)
Proceeds from lease agreements	96	-
Net other sources (uses).....	<u>(227,492)</u>	<u>(213,707)</u>
Net Change in fund balance.....	-	-
Fund balance (deficit) July 1.....	-	-
Fund balance (deficit) June 30.....	<u>\$ -</u>	<u>\$ -</u>
BALANCE SHEET - Governmental fund (in thousands)		
	June 30, 2023	June 30, 2022
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Cash equity with State Treasurer.....	\$ 32,947	\$ 29,765
Other receivables, net.....	94	25
Total assets and deferred outflows of resources.....	<u>\$ 33,041</u>	<u>\$ 29,790</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Accounts payable and accrued liabilities.....	\$ 3,765	\$ 2,522
Intergovernmental payables.....	8,208	7,319
Due to other State fiduciary funds.....	670	-
Due to other Board and State funds.....	20,386	19,949
Unavailable revenue.....	12	-
Total liabilities and deferred inflows of resources.....	<u>33,041</u>	<u>29,790</u>
FUND BALANCE (DEFICIT)		
Committed fund balance.....	-	-
Total liabilities, deferred inflows of resources and fund balance (deficit).....	<u>\$ 33,041</u>	<u>\$ 29,790</u>
BOARD ADMINISTRATOR		
During the Audit Period: Mr. Marcus Fruchter		
Currently: Mr. Marcus Fruchter		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

LACK OF AN EFFECTIVE CHANGE MANAGEMENT CONTROL

The Illinois Gaming Board (Board) failed to implement an effective change management process to control changes to their applications and data.

Lacked effective change management procedures

The Board utilized a myriad of applications to carry out its duties of regulating the casinos and sports wagering in the State. During our review of the Board's change control procedures, we noted the procedures were minimal and did not document the basic controls over changes. Specifically, the procedures did not address:

- Procedures for requesting changes,
- Approval of changes,
- Testing requirements,
- Documentation requirements,
- Implementation reviews, and
- Proper segregation of duties.

(Finding 1, pages 18-19) **This finding has been reported since 2012.**

We recommended the Board develop a change management policy which details all aspects of the change management process.

Board accepted the recommendation

Board officials accepted the recommendation and stated they implemented a new change management policy and process as of September 2023.

AUDITOR'S OPINION

The auditors stated the financial statements of the State Gaming Fund of the Illinois Gaming Board as of and for the year ended June 30, 2023 are fairly stated in all material respects.

This financial audit was conducted by CliftonLarsonAllen LLP.

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

FJM: vrb