



**STATE OF ILLINOIS  
ILLINOIS STATE BOARD OF EDUCATION**

**STATE COMPLIANCE EXAMINATION**

**For the Two Years Ended June 30, 2022**

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

**STATE OF ILLINOIS  
ILLINOIS STATE BOARD OF EDUCATION  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2022**

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**STATE OF ILLINOIS  
ILLINOIS STATE BOARD OF EDUCATION  
STATE COMPLIANCE EXAMINATION  
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**AGENCY OFFICIALS**

State Superintendent of Education Through 1/31/23 Effective 2/23/23	Dr. Carmen I. Ayala Dr. Tony Sanders
Interim State Superintendent of Education Effective 2/1/23 through 2/22/23	Krish Mohip
Executive staff:	
Legal Officer Through 6/8/21 Effective 9/1/21	Trisha Olson Jeremy Duffy
Acting Legal Officer Effective 6/9/21 through 8/31/21	Kristen Kennedy
Internal Audit Officer	Tassi Maton
Education Officer Through 9/23/22 Effective 9/24/22	Dr. Ernesto Matias Vacant
Financial Officer Through 2/10/23	Robert Wolfe
Interim Financial Officer Effective 2/15/23 through 4/14/23	Scott Harry
Financial Officer Effective 4/17/23	Dr. Matthew Seaton
Operating Officer	Melissa Oller
Policy & Communications Officer	Irma Snopek
Research & Evaluation Officer Through 3/6/23	Dr. Brenda M. Dixon
Interim Research & Evaluation Officer Effective 3/1/23	Melissa DiGangi

**BOARD OFFICERS**

Chairperson Through 7/31/22 Effective 8/1/22 through 9/19/22 Effective 9/20/22	Darren Reisberg Vacant Dr. Steven Isoye
Vice-Chairperson	Dr. Donna S. Leak
Secretary Through 12/20/20 Effective 12/21/20 through 2/4/21 Effective 2/5/21 through 2/1/23 Effective 2/16/23	Dr. Cristina Pacione-Zayas Vacant Jaime Guzman Dr. Christine Benson

**STATE OF ILLINOIS  
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**GOVERNING BOARD MEMBERS**

Member (thru 2/15/23)	Dr. Christine Benson
Member(thru 1/18/2023)	Dr. David Lett
Member (effective 1/18/2023)	Dr. James D. Anderson
Member (thru 1/11/21)	Jane Quinlan
Member (thru 4/30/21)	Jacqueline Robbins
Member (effective 1/13/23)	Dr. Anna Grassellino
Member (thru 1/23/23)	Susie Morrison
Member (effective 1/23/23)	Dr. Patricia Marie Nugent
Member (effective 2/5/21)	Roger Eddy
Member (effective 8/23/2021 thru 3/12/23)	Dr. Nike Vielle
Member	Vacant
Member (effective 3/13/23)	Vacant

**AGENCY OFFICES**

The Illinois State Board of Education primary administrative offices are located at:

James R. Thompson Center  
100 W. Randolph Street,  
Suite 14-300  
Chicago, Illinois 60601  
(through 9/28/2021)

555 W. Monroe Street,  
Suite 900  
Chicago, IL 60661  
(effective 9/29/21)

Alzina Building  
100 N. First Street  
Springfield, Illinois 62777



# Illinois State Board of Education

**Dr. Tony Sanders**, State Superintendent of Education  
**Dr. Steven Isoye**, Chair of the Board

100 N. First Street • Springfield, IL 62777 • isbe.net

## MANAGEMENT ASSERTION LETTER

May 15, 2023

Kerber, Eck & Braeckel LLP  
3200 Robbins Rd, Suite 200A  
Springfield, IL 62704

Ladies and Gentlemen:

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 Illinois State Board of Education (Agency). 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 Agency's compliance with the following specified requirements during the two-year period ended June 30, 2022. Based on this evaluation, we assert that during the years ended June 30, 2022, and June 30, 2021, the Agency has materially complied with the specified requirements listed below.

- A. The Agency 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 Agency 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 Agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations, other than what has been previously disclosed and reported in the Schedule of Findings.
- D. State revenues and receipts collected by the Agency 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.
- E. Money or negotiable securities or similar assets handled by the Agency on behalf of the State or held in trust by the Agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours truly,

Illinois State Board of Education

SIGNED ORIGINAL ON FILE

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Dr. Tony Sanders  
State Superintendent of Education

SIGNED ORIGINAL ON FILE

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Dr. Matthew Seaton  
Chief Financial Officer

SIGNED ORIGINAL ON FILE

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Jeremy Duffy  
Legal Officer

**STATE OF ILLINOIS  
ILLINOIS STATE BOARD OF EDUCATION  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2022**

**STATE COMPLIANCE REPORT**

**SUMMARY**

The State compliance testing performed during this examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagement 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**

	<b><u>Current Report</u></b>	<b><u>2021 Report</u></b>	<b><u>2020 Report</u></b>
GAS Findings	3	2	1
State Compliance Findings	12	N/A	25
Total Findings	15	2	26
GAS New Findings	3	1	1
GAS Repeated Findings	N/A	1	N/A
GAS Not Repeated Findings	2*	N/A	1
State Compliance New Findings	6	N/A	18
State Compliance Repeated Findings	6*	N/A	7
State Compliance Not Repeated Findings	21*	N/A	4

\*Prior GAS finding 2021-001 was partially repeated as 2022-002

\*Prior compliance examination finding 2020-021 was partially repeated as 2022-008

\*Prior compliance examination finding 2020-026 was partially repeated as 2022-009

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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>
<b>Current Findings</b>				
2022-001	16	New	Financial Statement Reporting Error	Material Weakness and Material Noncompliance
2022-002	18	2022/2021*	Failure to Reassess CWI Contained Within the Evidence-Based Formula	Material Weakness and Material Noncompliance
2022-003	21	New	Inadequate Controls Over Change Management	Material Weakness and Material Noncompliance
2022-004	23	2020/2018	Noncompliance with Department of Transitional Bilingual Education Reporting Requirements	Significant Deficiency and Noncompliance
2022-005	25	2020/2020	Insufficient Controls over Professional Educator Licensure	Material Weakness and Material Noncompliance
2022-006	27	2020/2020	Noncompliance with Strategic Plan Requirements	Significant Deficiency and Noncompliance
2022-007	28	2020/2020	Insufficient Controls over Surveys of Learning Conditions	Material Weakness and Material Noncompliance
2022-008	29	2020/2020	Insufficient Controls over Termination and Review of Employee Access	Significant Deficiency and Noncompliance
2022-009	31	2020/2020	Lack of Adequate Controls over the Review of Internal Controls over Service Providers	Significant Deficiency and Noncompliance
2022-010	33	New	Noncompliance with the Student Online Personal Protection Act	Material Weakness and Material Noncompliance
2022-011	35	New	Failure to Update Interest Rates for Loans Issued Under the School Technology Revolving Loan Program	Significant Deficiency and Noncompliance



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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>
<b>Current Findings</b>				
2022-012	37	New	Failure to Update Administrative Rules for Class Size Reduction Funding Programs	Significant Deficiency and Noncompliance
2022-013	38	New	Inadequate Control over Agency Workforce Reports	Significant Deficiency and Noncompliance
2022-014	40	New	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2022-015	42	New	Inadequate Security Controls	Significant Deficiency and Noncompliance

**PRIOR FINDINGS NOT REPEATED**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>
A	44	2021/2021	Evidence-Based Funding Formula Error
B	44	2020/2020	Lack of Census Data Reconciliation
C	45	2020/2014	Noncompliance with the School Code on Bullying Prevention
D	45	2020/2016	Insufficient Controls over School Construction Projects
E	46	2020/2016	Noncompliance with Annual State Report on Special Education Performance Reporting Requirements
F	46	2020/2018	Noncompliance with the School Code on Heroin and Opioid Drug Prevention Pilot Program
G	46	2020/2018	Failure to Provide Timely Notification of Felony Convictions

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**PRIOR FINDINGS NOT REPEATED**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>
H	47	2020/2020	Insufficient Controls over Illinois Teaching Excellence Program
I	47	2020/2020	Noncompliance with Advisory Council on At-Risk Students Appointment and Reporting Requirements
J	47	2020/2020	Noncompliance with the School Safety Drill Act
K	48	2020/2020	Insufficient Controls over Annual Statement of Affairs
L	48	2020/2020	Noncompliance with Accelerated Placement Requirements
M	48	2020/2020	Noncompliance with Reporting Requirements for Teacher Preparation and Certification
N	49	2020/2020	Failure to Timely and Fully Implement Substitute Teacher Recruiting Program Rules
O	49	2020/2020	Noncompliance with School Code on Persistently Dangerous Schools
P	49	2020/2020	Noncompliance with the School Code on Attacks on School Personnel
Q	50	2020/2020	Noncompliance with Requirements of the Emotional Intelligence and Social and Emotional Learning Task Force
R	50	2020/2020	Insufficient Controls over Termination of Access
S	50	2020/2020	Insufficient Controls over Annual Report Data
T	51	2020/2020	Noncompliance with the Gender Equity Advisory Committee Appointment Requirements
U	51	2020/2020	Noncompliance with the Educational Mandates Annual Reporting Requirements

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**PRIOR FINDINGS NOT REPEATED**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>
V	51	2020/2020	Noncompliance with the State Charter School Commission Appointment Requirements
W	52	2020/2020	Lack of Adequate Controls over the Review of Internal Controls over Science Providers

**EXIT CONFERENCE**

The findings 2022-006 and 2022-011 and their associated recommendations appearing in this report were discussed with Agency personnel at an exit conference on May 9, 2023.

Attending were:

Representing Illinois State Board of Education

Dr. Tony Sanders, State Superintendent  
Melissa Oller, Operating Officer  
Melissa DiGangi, Interim Research & Evaluation Officer  
Regina Toland, Director of Fiscal Support Services  
Sally Burton, Internal Auditor III  
Madanagopal Damodaran, Director of Software Solutions  
Jason Helfer, Deputy Instructional Education Officer  
Emily Fox, Director Of Educator Effectiveness  
Jeremy Mehochko, Director of Project Management  
Kimberly Barnes-Cummins, Director of Wellness  
David Williams, Director of Technology Support and Infrastructure  
Miguel Calderon, Director of Human Resources  
Marci Johnson, Director of CTE and Innovation

Tassi Maton, Internal Audit Officer  
Jeremy Duffy, Legal Officer  
Krish Mohip, Deputy Operational Educational Officer  
Matthew Seaton, Chief Financial Officer  
Joanne Clyde, Director of Multilingual  
Jennifer Kirmes, Executive Director of Teaching and Learning  
Jeffrey Aranowski, Executive Director of Safe and Health Climate  
Erica Thieman, Director of Standards and Instruction  
Jennifer Saba, Executive Director of Regional Services

Representing Kerber, Eck & Braeckel LLP

Josh Shugart, Partner  
Dakota Greer, Manager

Kate Ward, Partner

Representing the Office of the Auditor General

Janis VanDurme, Health & Human Services Audit Manager  
Reddy Bommareddi, Senior Audit Manager

The responses to these recommendations were provided by Tassi Maton, in a correspondence dated May 15, 2023.

## Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance

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Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

The Board Members of the  
State of Illinois, Illinois State Board of Education

### **Report on State Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Illinois State Board of Education (Agency) 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, 2022. Management of the Agency is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Agency’s compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Agency 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 Agency 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 Agency 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 Agency 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.
- E. Money or negotiable securities or similar assets handled by the Agency on behalf of the State or held in trust by the Agency have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, 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 Agency complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Agency 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 Agency's compliance with the specified requirements.

Our examination disclosed material noncompliance with the Specified Requirements B and C applicable to the Agency during the two years ended June 30, 2022. As described in the accompanying Schedule of Findings as items 2022-001, 2022-003, 2022-005, 2022-007, and 2022-010, the Agency has not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. As described in the accompanying Schedule of Findings as item 2022-002, the Agency has not obligated, expended, and used public funds of the State in accordance with all limitations, restrictions, conditions, or mandatory directions imposed by law upon such expenditure.

In our opinion, except for the material noncompliance from the specified requirement described in the preceding paragraph, the Agency complied with the specified requirements during the two years ended June 30, 2022, 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 2022-004, 2022-006, 2022-008, 2022-009, 2022-011, 2022-012, 2022-013, 2022-014, and 2022-015.

The Agency's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Agency'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 Agency 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 Agency's internal control to determine the examination procedures that

are appropriate in the circumstances for the purpose of expressing our opinion on the Agency's compliance with the specified requirements and to test and report on the Agency's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 2022-001, 2022-002, 2022-003, 2022-005, 2022-007, and 2022-010, 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 2022-004, 2022-006, 2022-008, 2022-009, 2022-011, 2022-012, 2022-013, 2022-014, and 2022-015 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The Agency's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Agency'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

Springfield, Illinois  
May 15, 2023

## Independent Accountant's Report on Applying Agreed-Upon Procedures

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Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

The Board Members of the  
State of Illinois, Illinois State Board of Education

As Special Assistant Auditors for the Auditor General, we have performed the procedures enumerated below on compliance with respect to the reporting, during the year ended June 30, 2022, of the statewide high school dropout rate by grade, level, sex, race; the annual student dropout rate of and the number of students who graduate from, transfer from, or otherwise leave bilingual programs; a critique and analysis of the status of education in Illinois; and each act or omission of a school district as a consequence of scheduled, approved visits and which constituted a failure by the district to comply with applicable State or federal laws or regulations pursuant to 105 ILCS 5/1A-4, 105 ILCS 5/26-2a, and 105 ILCS 5/26-3a which were agreed to by the Auditor General and the State of Illinois, Illinois State Board of Education, solely to assist the users in evaluating management's assertion about the State of Illinois, Illinois State Board of Education's (Agency) compliance with the applicable State or federal laws or regulations noted above. The Agency is responsible for the said reporting pursuant to 105 ILCS 5/1A-4, 105 ILCS 5/26-2a, and 105 ILCS 5/26-3a. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We reviewed the following articles of the School Code: 105 ILCS 5/1A-4, 105 ILCS 5/26-2a, and 105 ILCS 5/26-3a. We obtained and inspected the Fiscal Year 2021 Annual Report for the Agency and verified the Annual Report complied with each of the following statutory requirements of the School Code:
  - a. Using the most recently available data, the Agency prepared and submitted to the General Assembly and the Governor on or before January 14, 2022 a report or reports of its findings and recommendations.
  - b. The Annual Report contained a separate section which provides a critique and analysis of the status of education in Illinois and which identified its specific problems and recommends express solutions therefor.
  - c. The Annual Report contained the following information for the preceding year ended June 30, 2021:

- i. Each act or omission of a school district of which the Agency has knowledge as a consequence of scheduled, approved visits, and which constituted a failure by the district to comply with applicable State or federal laws or regulations relating to public education;
    - ii. The name of such district;
    - iii. The date or dates on which the State Board of Education notified the school district of such act or omission; and
    - iv. What action, if any, the school district took with respect thereto after being notified thereof by the Agency.
  - d. The Annual Report included the statewide high school dropout rate by grade level, sex and race, and the annual student dropout rate of and the number of students who graduate from, transfer from or otherwise leave bilingual programs. High school dropout data included aged-out.

We found no exceptions as a result of the procedures performed.

2. We obtained the list of school districts and agreed submission of student data in the Student Information System (SIS) for a sample of 40 school districts.

We found no exceptions as a result of the procedures performed.

3. We obtained the supporting file for the “2020-2021 High School Dropout Rates, by Grade Level, Gender, and Race/Ethnicity” prepared by the Agency. We agreed dropout data for 40 selected students from the Agency’s supporting file of dropout data to SIS and 40 students selected from SIS to Agency’s supporting file of dropout data.

We found no exceptions as a result of the procedures performed.

4. We compared dropout data totals per the Agency’s supporting file of dropout data for the school year 2020-2021 to those on the 2021 Annual Report filed with the General Assembly and the Governor and we agreed all dropout totals, by grade level, gender, and race/ethnicity on the supporting file to the report.

We found no exceptions as a result of the procedures performed.

5. We obtained the supporting file for the “2020-2021 English Learner Students by Transition Status and School Year Outcome” prepared by the Agency. We compared bilingual education data for 40 selected students from the Agency’s supporting file of bilingual education data to SIS and 40 selected students from SIS to the Agency’s supporting file of bilingual education data.

This step could not be performed. Due to the timing of student assessments in school year 2020-2021, assessment data and related metrics were not available at the time of the publication of the 2021 Annual Report. Formal guidance was issued by the United States Department of Education. This guidance extended the testing window for English language proficiency assessments due to the COVID-19 pandemic.

6. We compared bilingual education data totals per the Agency’s supporting file of bilingual education data for school year 2020-2021 to those on the 2021 Annual Report filed with the General Assembly and the Governor. We agreed all bilingual education data totals, by transition status, on the supporting file to the report.



This step could not be performed. Due to the timing of student assessments in school year 2020-2021, assessment data and related metrics were not available at the time of the publication of the 2021 Annual Report. Formal guidance was issued by the United States Department of Education. This guidance extended the testing window for English language proficiency assessments due to the COVID-19 pandemic.

7. We obtained the schedule of bilingual education data generated from the Student Enrollment and ACCESS Assessment data warehouse tables and performed the following:
  - a. Compared bilingual education data totals per the Student Enrollment and ACCESS Assessment data warehouse tables to those on the 2021 Annual Report filed with the General Assembly.
  - b. Agreed the bilingual education data totals, by transition status, on the Student Enrollment and ACCESS Assessment data warehouse tables to the report.

This step could not be performed. Due to the timing of student assessments in school year 2020-2021, assessment data and related metrics were not available at the time of the publication of the 2021 Annual Report. Formal guidance was issued by the United States Department of Education. This guidance extended the testing window for English language proficiency assessments due to the COVID-19 pandemic.

We were engaged by the State of Illinois, Auditor General, to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Accountants. The State of Illinois, Auditor General acknowledged the procedures performed and deemed them appropriate to meet the intended purpose of this agreed-upon procedure. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectfully, on the subjects of this report and management's assertions. Accordingly, we do not express such opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Also, we make no representation regarding the sufficiency of the procedures performed either for the purpose for which the report has been requested or for any other purpose.

We were required to be independent of the State of Illinois, Auditor General and State of Illinois, State Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Pursuant to Public Act 102-0894, the Annual Report is no longer required to be submitted by the Agency. Accordingly, the 2021 Annual Report was the final report required for submission.

This report is intended solely for the information and use of the Auditor General, Board members of the State of Illinois, Illinois State Board of Education, and Agency management, and is not intended to be, and should not be, used by anyone other than these specified parties.

**SIGNED ORIGINAL ON FILE**

Springfield, Illinois  
May 15, 2023

**STATE OF ILLINOIS**  
**ILLINOIS STATE BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS – CURRENT FINDINGS**  
**For the Two Years Ended June 30, 2022**

2022-001. **FINDING:** Financial Statement Reporting Error

The Illinois State Board of Education (Agency) did not maintain sufficient controls over financial reporting to ensure its financial statements and the generally accepted accounting principles (GAAP) Package reports prepared for the Office of Comptroller utilized to compile the State of Illinois' Annual Comprehensive Financial Report were complete and accurate.

During testing, we noted the Agency did not perform a sufficient review of all accounts and amounts recorded within its financial statements and GAAP Package reports. Specifically, we noted the following issues while testing the year-end financial reporting process:

- The Agency improperly included a \$13.75 million future appropriation for the Drivers Education Fund (Fund 031) as a liability in the General Revenue Fund (Fund 001). The liability was also properly recorded in Fund 031. This duplication caused total liabilities and expenses in the General Fund to be overstated by \$13.75 million. This material adjustment was subsequently recorded by the Agency in its final General Fund and Governmental Activities' financial statements.

Public Act 102-0698, effective April 19, 2022, Article 115, Section 60, appropriated \$13.75 million from the Drivers Education Fund for drivers' education for the fiscal year beginning July 1, 2022.

- The Agency improperly included a \$305 million future appropriation for the Education Assistance Fund (Fund 007) as a liability in Fund 001. The liability was also not recorded in Fund 007's GAAP Package report. As such, Fund 001's liability and expenses were overstated by \$305 million, and Fund 007's liability and expenses were understated by the corresponding amount. As both Fund 001 and Fund 007 are subaccounts of the General Fund, this error had a net effect on the overall General Fund and Governmental Activities' financial statement presentation. However, this material adjustment was subsequently recorded by the Agency in the General Fund's combining schedules.

Additionally, Public Act 102-0698 Article 114 Section 10 appropriated \$305 million from the Education Assistance Fund for transportation-regular/vocational common school transportation reimbursement per section 29-5 of the Illinois School Code for the fiscal year beginning July 1, 2022.

**STATE OF ILLINOIS**  
**ILLINOIS STATE BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS – CURRENT FINDINGS**  
**For the Two Years Ended June 30, 2022**

2022-001. **FINDING:** Financial Statement Reporting Error (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Agency 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.

Further, a good system of internal control requires Agency management to review all significant accounts and balances recorded and disclosed in the financial statements for completeness and accuracy.

Agency officials stated the misstatements were due to Agency supporting documentation for future year appropriation liabilities not clearly identifying the applicable appropriation codes. These errors were not appropriately identified during the review process.

Accurate and timely financial statements of the Agency’s financial information for GAAP reporting purposes is important due to the impact adjustments may have on the State of Illinois’ Annual Comprehensive Financial Report. Further, failure to exercise due care during the financial reporting review process lead to misstatements of the Agency’s financial statements. (Finding Code No. 2022-001)

**RECOMMENDATION**

We recommend the Agency document procedures for calculating future appropriation liabilities, compare the amounts on the financial reporting forms to the appropriation bill, and exercise due care during the financial statement preparation and review process to ensure accurate financial reporting.

**AGENCY RESPONSE**

The Agency agrees with the finding and has implemented corrective action. The Agency developed a template for supporting documentation for future year appropriation liabilities that includes the appropriation codes for each future year liability. This template will be used to prepare the Fiscal Year 2023 and future fiscal year GAAP Package reports. In addition, the Agency implemented a step in the process that verifies the appropriation codes and amounts using the Illinois Office of the Comptroller’s website to ensure that amounts recorded in GAAP reporting packages are accurate.

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2022-002. **FINDING:** Failure to Reassess CWI Contained Within the Evidence-Based Formula

The Illinois State Board of Education (Agency) did not exercise adequate internal control over the State’s Evidence-Based Funding Formula (Formula).

The Formula directs how the Agency is to distribute Evidence-Based Funding (EBF) to various Evidence-Based Funding Organizational Units (E-BFOUs) across the State, which includes school districts, alternative schools run by regional superintendents of education, and two laboratory schools.

During the Agency’s previous financial audit for the year ended June 30, 2021, Agency management noted a coding error regarding enrollment counts utilized within the Formula. Due to this error, the Agency made a significant overpayment to one school district and underpayments to other E-BFOUs. Upon discovery of the error, we proposed and the Agency made the necessary adjustments to the Agency’s liabilities and footnote disclosures. During the current financial audit, in following-up on the prior year finding, we noted the coding was corrected and associated receivables from the one school district has been accurately recorded in the Agency’s financial statements.

With regards to ensuring the Formula’s accuracy, during the Agency’s current financial audit for the year ended June 30, 2022, we noted the Agency failed to re-determine the Comparable Wage Index (CWI) used in the Formula as required by the School Code. Specifically, we noted the original CWI was still being used in the Formula even though, based on statutory requirement, the State Superintendent would have been responsible for re-determining the CWI in Fiscal Year 2021 or Fiscal Year 2022.

The School Code (105 ILCS 5/18-8.15(a)(4)) defines the CWI as a regional cost differentiation metric that measures systemic, regional variations in the salaries of college graduates who are not educators. The CWI utilized within the Formula, for the first three years of Evidence-Based Funding implementation, is the CWI initially developed by the National Center for Education Statistics, as most recently updated by Texas A & M University. In the fourth and subsequent years of the Formula’s implementation, the State Superintendent is required to re-determine the CWI using a similar methodology to that identified in the Texas A & M University study, with adjustments made no less frequently than once every five years.

With regards to the impact this would have on the funding distribution, we noted the total funds to be disbursed would be unchanged, but the distribution between E-BFOUs would change. At the end of fieldwork, both the auditors and Agency agree the significance of the noncompliance with the School Code is not quantifiable, as an alternative index that meets the statutory requirements has not been identified by the Agency.

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2022-002. **FINDING:** Failure to Reassess CWI Contained Within the Evidence-Based Formula (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Agency to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that obligations and costs are in compliance with applicable laws, 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.

Agency officials stated the EBF section of the School Code created the Professional Review Panel (Panel) “to study and review topics related to the implementation and effect of Evidence-Based Funding ...” Per the School Code (105 ILCS 5/18-8.15(i)(3)(A) and (B)), the Panel “may also study the following topics at the direction of the chairperson:

(A) The format and scope of annual spending plans referenced in paragraph (9) of subsection (h) of this Section.

(B) The Comparable Wage Index under this section.”

As such, Agency officials further stated the work of reviewing and determining a new CWI was assigned to the Recalibrate Committee of the Panel (Committee). The Committee discussed the CWI during meetings in winter 2020. Specifically, the topic was discussed during meetings held on November 4, 2020, December 10, 2020, and December 15, 2020. However, due to the prioritization of other Committee issues, the CWI utilized in the Formula was not able to be re-determined during Fiscal Year 2021 or Fiscal Year 2022.

Due to the inability to determine whether or not a revised CWI would materially impact the tier funding distribution of payments, we cannot reasonably provide assurance that the Agency has materially complied with those laws and regulation which could have a direct and material effect on the Agency’s financial statements. Further, failure to re-determine the CWI represents noncompliance with the School Code. (Finding Code No. 2022-002, 2021-001)

**RECOMMENDATION**

We recommend Agency management implement adequate internal controls, including hiring additional staff to help with the prioritization of Committee responsibilities, to re-determine the CWI in line with the requirements of the School Code.

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2022-002. **FINDING:** Failure to Reassess CWI Contained Within the Evidence-Based Formula  
(Continued)

**AGENCY RESPONSE**

The Agency agrees with the finding and is in the process of corrective action. The Agency has released procurements to contract with an independent, external entity to determine if any wage indices exist with similar methodologies to the CWI, as required by statute, and to conduct modeling of the potential financial impact to school districts, if an alternative index does exist and meets statutory requirements.

Additionally, the Agency is collaborating with a third party vendor to map and document the EBF calculation process to improve internal controls.

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2022-003. **FINDING:** Inadequate Controls over Change Management

The Illinois State Board of Education (Agency) did not have adequate internal controls over the change management process for its environment, applications, and data.

During our testing, we requested the Agency provide a population of changes made to the Agency’s environment, applications, and data. Although the Agency provided emails of some of the changes, the Agency was unable to provide support documenting the completeness and accuracy of the population of changes.

Due to the conditions, we were unable to conclude the Agency population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 330.27-.29 and AT-C § 205.36). Even given the population limitations, we selected a sample of 15 changes, noting:

- Four (27%) changes were missing documentation of approvals before they were assigned to developers.
- Two (13%) changes did not have documentation of as to who requested the change.
- Nine (60%) changes did not have documentation of final approvals before moving the change to production.
- Thirteen (87%) changes did not have support documenting an authorized staff moved the change to production.
- Fifteen (100%) changes did not have documentation of post-implementation reviews were completed.

In addition, we noted the Agency’s change management policy was outdated and did not reflect the Agency’s process for controlling changes to its environment, applications, and data. Further, we noted the Agency had not established procedures to identify and address emergency changes.

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), Configuration Management section, requires entities to ensure applications are modified in a manner that promotes consistency, integrity, and security.

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Agency 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 maintain accountability over the State’s resources.

Agency officials indicated the cause of these issues to be management oversight.

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2022-003. **FINDING:** Inadequate Controls over Change Management (Continued)

The lack of adequate internal controls over changes to the Agency’s environment, applications, and data could result in unauthorized changes. (Finding Code No. 2022-003)

**RECOMMENDATION**

We recommend the Agency update its change management policies to address procedures, including emergency changes, regarding:

- Requirements for requesting changes.
- Prioritization and classification of changes.
- Authorization of changes at various stages.
- Testing requirements and associated documentation requirements.
- Requirements for moving to production.
- Requirements for post-implementation review.

Additionally, we recommend the Agency create a change control log to track regular and emergency changes or enable the existing system to generate such logs, ensure changes follow the change management process, and ensure changes are approved, documented, and post-implementation reviews are completed.

**AGENCY RESPONSE**

The Agency agrees with the finding and is in the process of implementing the recommended changes into its change management policies.



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2022-004. **FINDING:** Noncompliance with Department of Transitional Bilingual Education Reporting Requirements

The Illinois Board of Education (Agency) did not comply with the reporting requirements of the Department of Transition Bilingual Education (Department).

During the Agency’s previous examination, we noted the Department did not submit its 2017-2018 annual report until eighteen months after the reporting period ended, and it failed to draft its 2018-2019 annual report as of June 30, 2020.

During the Agency’s current examination, our testing indicated the Department timely submitted its annual reports on programs in transitional bilingual education to the Illinois General Assembly covering school years 2019-2020 and 2020-2021. In addition, we noted the Department submitted its 2018-2019 annual report to the Illinois General Assembly.

However, while the Department submitted the annual reports to the Illinois General Assembly as required, we noted the Agency failed to report an opinion on the need for continuing such a program and recommendations for improvement.

According to the School Code (105 ILCS 5/2-3.39(7)), the Agency is required to submit an annual report to the General Assembly, which includes an evaluation of the programs in transitional bilingual education, the need for continuing such programs, and recommendations for improvement.

This finding was first reported in the Agency’s *State Compliance Examination* for the two years ended June 30, 2018. In subsequent years, the Agency has been unsuccessful in implementing an adequate corrective action plan.

Agency officials indicated the reports did not contain the required information due to employee oversight.

Failure to include all required information in the annual reports on programs in transitional bilingual education reduces the effectiveness of governmental oversight. In addition, inadequate program evaluation could affect the identification and implementation of necessary program improvements or the continuation of the program. (Finding Code No. 2022-004, 2020-005, 2018-006)

**RECOMMENDATION**

We recommend the Agency implement the necessary internal controls to ensure reporting requirements are met for programs in transitional bilingual education.

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2022-004. **FINDING:** Noncompliance with Department of Transitional Bilingual Education Reporting Requirements (Continued)

**AGENCY RESPONSE**

The Agency agrees with the finding and the responsible department will add sections on the need for continuing such a program and recommendations for improvement to all future annual reports.

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2022-005. **FINDING:** Insufficient Controls over Professional Educator Licensure

The Illinois State Board of Education (Agency) did not have adequate internal controls in place to monitor the requirements regarding professional educator license renewal.

During our testing, we noted:

- The Agency failed to perform random audits of licensees to verify their fulfillment of the professional development hours required to maintain their license.

The School Code (Code) (105 ILCS 5/21B-45(f-5)) requires the Agency to conduct random audits of licensees to verify a licensee’s fulfillment of the professional development hours required under the section of the Code.

Agency officials stated audits of licensees were suspended by Agency management during the examination period due to the COVID-19 pandemic, its disruption to the educational system and the already cumbersome new burdens and challenges placed on educators.

- The Agency did not track which approved providers were providing professional development activities, and therefore, was not able to identify which approved providers should have submitted annual data to the Agency during the examination period.

The Code (105 ILCS 5/21B-45(j)(2)) requires approved providers of professional development activities to annually submit data to the Agency demonstrating how the professional development activities impacted certain criteria.

Agency officials stated, as it did in the prior examination, that it recognized deficiencies in the approved provider process in 2019 and began developing a tracking system for approved providers called the “PD+” system. The COVID-19 pandemic severely delayed the development of PD+ system.

Failure to perform random audits of licensees and adequately monitor providers providing professional development activities reduces accountability of educators and approved providers. Further, it could result in a licensed educator receiving less than high quality professional development or failing to meet State licensing standards. (Finding Code No. 2022-005, 2020-015)

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2022-005. **FINDING:** Insufficient Controls over Professional Educator Licensure (Continued)

**RECOMMENDATION**

We recommend the Agency begin performing random audits of licensees and to continue their work on the PD+ system to ensure all approved providers who perform professional development activities can be adequately tracked and subsequently audited as required by the Code.

**AGENCY RESPONSE**

The Agency agrees with the finding. The Agency has resumed professional development educator audits and has implemented a new registration and renewal process in the PD+ system to track the providers offering professional development in Illinois.

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2022-006. **FINDING:** Noncompliance with Strategic Plan Requirements

The Illinois State Board of Education (Agency) did not comply with statutory requirements when drafting its Comprehensive Strategic Plans for Elementary and Secondary Education (Strategic Plan).

During the Agency’s previous examination, we noted the Agency did not consult with the educational community, hold public hearings, or receive input from all interest groups when drafting the 2019 Strategic Plan. Additionally, we noted the Agency did not include all required information in either the 2018 or 2019 Strategic Plans.

During the Agency’s current examination, we noted the Agency sought legislative changes with Public Act 102-539, effective August 20, 2021, which streamlined the requirements of the Strategic Plan. The Strategic Plans submitted during the current examination period complied with the new requirements; however, they were not submitted timely. Specifically, we noted the Agency failed to timely submit its 2020 and 2021 Strategic Plans to the Governor and Illinois General Assembly due by July 1, 2020, and 2021, respectively. The Strategic Plans were filed on January 11, 2021, and July 7, 2021, which were 194 and 6 days late, respectively.

The School Code (105 ILCS 5/2-3.47a) requires the Agency to submit a continuing annual comprehensive strategic plan to the Governor and Illinois General Assembly on or before July 1 of each year.

Agency officials stated the report due July 1, 2020 was submitted late due to the impact of the COVID-19 pandemic. The publishing of the annual report due July 1, 2021 was delayed due to employee oversight.

Failure to timely submit the Agency’s Strategic Plan represents noncompliance with the School Code and could lessen the effectiveness of the Agency to fulfill the Agency’s mission, vision, and goals. (Finding Code No. 2022-006, 2020-017)

**RECOMMENDATION**

We recommend the Agency implement internal controls to ensure future Strategic Plans are submitted timely in accordance with the School Code.

**AGENCY RESPONSE**

The Agency agrees with the finding. The annual report due July 1, 2022 was submitted on June 30, 2022. Efforts are underway to prepare and submit the next report by July 1, 2023.

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2022-007. **FINDING:** Insufficient Controls over Surveys of Learning Conditions

The Illinois State Board of Education (Agency) did not comply with reporting procedures for the survey of learning conditions (climate survey) as completed by students and teachers.

During our testing, we noted the Agency failed to post the results from the 2019-2020 school year climate survey to their website and did not provide a publicly available report on the survey indicators at the school district or state level for any of the surveys administered.

The School Code (105 ILCS 5/2-3.153) requires a climate survey to be administered to students in grades 4 through 12 and teachers to provide feedback on the instructional environment within a school. The data from the survey must be reported to the Agency, and the Agency must publicly report on the survey indicators of learning conditions resulting from administration of the instrument at the individual school, district, and State levels.

Agency officials noted the 2019-2020 school year climate survey was not posted due to an executive decision made by the Agency's management team. The survey indicators are currently designed to provide results at the school-building level. Any aggregation of that data into a district or state-wide level overview would require additional research and likely more monetary investment which has not previously been allocated.

Failure to post the climate survey results and aggregate the data at the district and State level limits the availability of the necessary tools and resources to make important decisions regarding improvements in the instructional environment of schools. (Finding Code No. 2022-007, 2020-019)

**RECOMMENDATION**

We recommend the Agency implement or revise its internal controls in order to obtain the required data needed to report on the climate survey results at each level required by State law.

**AGENCY RESPONSE**

The Agency agrees with the finding and recognizes the importance of the climate survey to allow districts and schools to make instructional-related decisions. The Agency is currently working with the 5Essentials Climate Survey vendor to determine the feasibility and possibility of acquiring data at the school, district, and state-level.

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2022-008. **FINDING:** Insufficient Controls over Termination and Review of Employee Access

The Illinois State Board of Education (Agency) did not implement adequate controls over termination and review of access to its information systems and applications.

*Illinois State Board Web Application Security (IWAS)*

The Agency did not perform an annual review of users' access to the IWAS application for fiscal years 2021 and 2022.

Further, we noted four of 17 (24%) terminated employees' access to the IWAS application had not been timely removed after separation. The rights were removed from five to 20 days after separation.

*Other applications*

During testing of 20 employees, we noted four employees (20%) had administrative rights to the Entity Profile System (EPS), Data Warehouse, Financial Reimbursement Information System (FRIS), and Student Information System (SIS) applications for which they either never utilized or were not aware they had administrative rights.

*Security Software IDs*

- The Agency did not perform a review of their security software IDs for the Department of Innovation and Technology's (DoIT) mainframe during the examination period.

*Central Payroll System (CPS)*

- The Agency did not perform a review of the users with access to the Central Payroll System (CPS) during the examination period.
- Two employees in the Agency's information technology department had add, change, delete and inquiry rights to the CPS during the examination period.
- One employee with add, change, delete and inquiry rights to CPS left the Agency during the examination period; however, their permissions were not revoked.
- The Agency did not submit a DoIT service request for the change in the CPS Administrator.

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2022-008. **FINDING:** Insufficient Controls over Termination and Review of Employee Access  
(Continued)

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), Access Control section, requires entities to control employees' access to applications and terminate access upon separation and to periodically conduct reviews.

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies 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.

Agency officials indicated the exceptions were due to employee turnover, vacant positions, and oversight.

Inadequate controls over access to the Agency's system and applications could lead to unauthorized access and unauthorized use of its applications and related data. (Finding Code No. 2022-008, 2020-021)

**RECOMMENDATION**

To ensure adequate controls over access to the Agency's information systems and applications, we recommend the Agency:

- Review users' access to mainframe and other applications periodically.
- Ensure users' access is timely terminated upon separation.
- Timely notify DoIT of changes in the Agency's Administrator for DoIT maintained applications.

**AGENCY RESPONSE**

The Agency agrees with the finding. An Application Access Review Policy has been created and a procedure has been established to perform annual reviews of users' access to the IWAS and the applications hosted within IWAS. The process to disable IWAS accounts was assigned to additional staff and a new notification system was put in place to ensure timely disablement of accounts. The Agency has established a process of reviewing security software IDs on a quarterly basis and notifying DoIT in a timely manner with any changes.



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2022-009. **FINDING:** Lack of Adequate Controls over the Review of Internal Controls over Service Providers

The Illinois State Board of Education (Agency) had not implemented adequate controls over its service providers.

The Agency utilized service providers for hosting services, credit card processing and software as a service. We tested five service providers, noting the Agency had not:

- Reviewed the System and Organization Controls (SOC) report for one (20%) service provider.
- Documented the deviations noted in a SOC report or performed an analysis of the impact of those noted deviations on the Agency’s internal control environment for one (20%) service provider.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) related to the Agency’s operations for five (100%) service providers.
- Obtained and reviewed SOC reports for subservice providers or performed alternative procedures to determine the impact on its internal control environment for two of five (40%) service providers.
- Developed or implemented procedures for monitoring of five (100%) service providers.
- Obtained bridge letters for two (40%) service providers when SOC reports did not cover the entire examination period.

We also noted the Agency did not have a contract with one (20%) service provider, therefore, did not have a mechanism to require independent reviews.

The Agency is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to assure confidential data is adequately safeguarded. This responsibility is not limited due to the processes being outsourced.

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 information technology environment or operations to obtain assurance over the entities’ internal controls related to the services provided. Such assurance may be obtained through SOC reports or independent reviews.

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2022-009. **FINDING:** Lack of Adequate Controls over the Review of Internal Controls over Service Providers (Continued)

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies 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.

Agency officials indicated the issues noted were due to staff turnover and employee errors.

Without adequately reviewing a SOC report or performing another form of independent internal controls review, the Agency does not have assurance the service providers' internal controls are adequate and operating effectively. (Finding Code No. 2022-009, 2020-026)

**RECOMMENDATION**

We recommend the Agency:

- Review SOC reports or conduct independent internal control reviews.
- Conduct an analysis to determine the impact of noted deviations within the SOC report.
- Monitor and document the operation of the CUECs related to the Agency's operations.
- Obtain and review SOC reports for subservice providers or perform alternative procedures to determine the impact on its internal control environment.
- Develop and implement procedures for monitoring service providers.
- Obtain bridge letters to determine the impact on Agency internal control environment.
- Ensure contracts are entered into with service providers and ensure they contain requirements for independent reviews to be conducted.

**AGENCY RESPONSE**

The Agency agrees with the finding. A new employee was hired and trained to accurately obtain and review SOC reports and Bridge Letters. The Agency is reviewing contracts to ensure that all service providers are covered and has begun performing post-performance monitoring reviews for cloud suppliers.

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2022-010. **FINDING:** Noncompliance with the Student Online Personal Protection Act

The Illinois State Board of Education (Agency) did not comply with the Student Online Personal Protection Act (Act).

During our testing, we noted the Agency failed to publish and maintain on its website a list of all entities or individuals the Agency contracts with or has written agreements with that hold covered information and a copy of each contract or written agreement.

According to the Student Online Personal Protection Act (Act)(105 ILCS 85/28(c)), effective July 1, 2021, at least once annually, the Agency is required to publish and maintain on its website a list of all of the entities or individuals, including, but not limited to, operators, individual researchers, research organizations, institutions of higher education, or government agencies, that the State Board contracts with or has written agreements with and that hold covered information and a copy of each contract or written agreement. The list must include the name of the entity or individual, the purpose and scope and duration of the contract or agreement, the types of covered information that the entity holds, the use of the covered information, the length of time for which the entity may hold the covered information, and a list of any subcontractors to whom covered information may be disclosed.

Agency officials indicated the mandate was new during the examination period with many new requirements involving numerous departments within the Agency. The requirement to publish a list of agreements with covered information was an oversight.

Failure to publish and maintain the list is noncompliance with the Act and limits Agency accountability regarding covered information and its uses. (Finding Code No. 2022-010)

**RECOMMENDATION**

We recommend the Agency establish internal controls to determine which entities or individuals the State Board contracts with or has written agreements with that hold covered information and publish a list of those entities along with a copy of each contract or written agreement in accordance with the State law.

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2022-010. **FINDING:** Noncompliance with the Student Online Personal Protection Act  
(Continued)

**AGENCY RESPONSE**

The Agency agrees with the finding and has implemented the recommended changes to correct the noncompliance issue. The Research Department has now published on its website a list of all entities or individuals the Agency contracts with or has written agreements with that hold covered information and a copy of each contract or written agreement. To ensure the list is updated, the Agency has taken steps to automate this process through its Contract Authorization Form system.

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2022-011. **FINDING:** Failure to Update Interest Rates for Loans Issued Under the School Technology Revolving Loan Program

The Illinois State Board of Education (Agency) failed to update interest rates for loans issued under the School Technology Revolving Loan Program (Program).

During our testing, we noted the Agency issued loan agreements to two school districts under the Program during Fiscal Year 2021 and 2022, totaling \$241,700. While reviewing both of these loan agreements, we noted the Agency charged the two school districts a higher stated interest rate than allowable by the School Code. The interest rate noted in the loan agreements was set at 2.00%, which exceeded the authorized limit allowed by statute. As a result, the two school districts overpaid the Agency on their obligations by a total of \$1,093.

The School Code (105 ILCS 5/2-3.117a(a)) requires the Agency to determine the interest rate the loans shall bear. The rate shall not be greater than 50% of the rate for the most recent date shown in the 20 G.O. Bonds Index of average municipal bond yields as published in the most recent edition of The Bond Buyer. The 20 G.O. Bond Index of average municipal bond yields at the beginning of the Fiscal Year 2021 and 2022 application cycles were 2.16% and 2.20%, respectively. This means the maximum interest rate allowed on loans issued during the examination period was 1.08% and 1.10%, respectively.

Agency officials stated the loan rates were not updated due to significant leadership turnover in the responsible department within the Agency that runs the Program.

Failure to monitor and update interest rates represents noncompliance with the Code and resulted in school districts over paying loan obligations. (Finding Code No. 2022-011)

**RECOMMENDATION**

We recommend Agency management implement internal controls to continually monitor the Program for changes in the 20 G.O. Bonds Index and ensure future loans are issued with interest rates that do not exceed the allowable limit. Additionally, we recommend the Agency modify the current loans issued with incorrect interest rates to the applicable rate and refund the two school districts the funds they overpaid.

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2022-011. **FINDING:** Failure to Update Interest Rates for Loans Issued Under the School Technology Revolving Loan Program (Continued)

**AGENCY RESPONSE**

The Agency agrees with the finding. We have implemented corrective action steps to ensure increased oversight of the interest rate calculations with a system of checks and balances from program staff to management. Additionally, the Agency will modify the current loans and refund the overpayments.

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2022-012. **FINDING:** Failure to Update Administrative Rules for Class Size Reduction Funding Programs

The Illinois State Board of Education (Agency) failed to update administrative rules regarding administration of funding programs for class size reduction.

In September 2006, the Agency adopted administrative rules (23 Ill. Admin. Code 565) regarding the implementation and administration of funding programs for class size reduction. In August 2018, Public Act 100-1046 (Act) was signed into law significantly updating the class size reduction grant program. Specifically, the Act amended the School Code to no longer limit the grant to kindergarten through 3rd grade, removed limitations on the application process, and changed the definition of allowable expenditures. During testing, we noted the Agency’s administrative rules were last updated in June 2013, and therefore, do not reflect the changes made since the Act was passed.

The School Code (105 ILCS 5/2-3.136) required the Agency to adopt any rules as necessary to administer the funding for class size reduction.

Agency officials stated the class size reduction grant has not been funded since Fiscal Year 2009 and the mandate was not reassigned to Agency personnel when the legislation was updated in 2018. The lack of reassignment resulted in the administrative rules not being updated. Additionally, Agency officials stated there were no funding requests for the class size reduction program in Fiscal Year 2021 or Fiscal Year 2022.

Failure to update the administrative rules after legislative changes could lead to ambiguity regarding the eligibility of applicants and improper allocation of State funds. Additionally, failure to request funding potentially limits funds needed to support the class size reduction program as defined in the statute. (Finding Code No. 2022-012)

**RECOMMENDATION**

We recommend the Agency revise administrative rules to comply with the updated legislation regarding funding for class size reduction. We further recommend the Agency request funding for the programs or seek legislative remedy.

**AGENCY RESPONSE**

The Agency agrees with the finding. We have initiated conversations with Legislative Affairs and identified this mandate for inclusion in our next ISBE-sponsored clean-up bill. This has been added to our department Planner to ensure follow through for the next convening of the General Assembly. If repeal is deemed not possible, we will proceed with rulemaking as needed.

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2022-013. **FINDING:** Inadequate Control over Agency Workforce Reports

The Illinois State Board of Education (Agency) did not exercise adequate internal control over the preparation of its annual Agency Workforce Reports (Reports).

During testing, we noted the following:

- The support provided by the Agency did not agree with the Fiscal Year 2020 and Fiscal Year 2021 Reports, for multiple categories on each Report. Additionally, for both Reports, support provided for multiple categories did not include all of the persons employed by the Agency during each respective Fiscal Year.

The State Employment Records Act (5 ILCS 410/15) requires the Agency to collect and maintain the total number of persons employed by the Agency who are part of the State workforce, and the number and statistical percentage of women, minorities, and physically disabled persons employed within the workforce.

- The Agency was unable to provide support for the males and females with physical disabilities categories on the Fiscal Year 2021 Report.

The State Records Act (5 ILCS 160/8) requires the Agency to make and preserve records containing adequate and proper documentation of the organization. Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(4)) requires the Agency to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are properly accounted for to permit the preparation of reliable statistical reports.

Agency officials indicated, due to employee turnover, different employees prepared the Report each year during the examination period, and insufficient documentation was retained by staff to support the data reported.

Failure to retain supporting documentation and accurately report statistical information regarding women, disabled, and minority groups, limits the usefulness of the Agency's reports and represents noncompliance with State laws. (Finding Code No. 2022-013)



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2022-013. **FINDING:** Inadequate Control over Agency Workforce Reports (Continued)

**RECOMMENDATION**

We recommend Agency management strengthen its procedures of reviewing the Reports prepared by staff to ensure it is accurate before submission, and to ensure adequate documentation is retained by the Agency to support its preparation.

**AGENCY RESPONSE**

The Agency agrees with the finding. A new Human Resources Specialist has been hired and trained on preparing the report and storing all of the source documents by fiscal year. Once the report is completed, it will move through a review process by the Director of Human Resources.

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2022-014. **FINDING:** Weaknesses in Cybersecurity Programs and Practices

The Illinois State Board of Education (Agency) had not implemented adequate controls related to cybersecurity programs, practices, and control of confidential information.

The Agency utilizes various applications that contain a significant amount of critical and confidential data, such as names, addresses, and Social Security numbers, etc.

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 Agency’s cybersecurity program, practices, and control of confidential information, we noted the Agency had not:

- Conducted a risk assessment during the examination period. The previous risk assessment was performed in 2019. Further, we noted various risks identified in the previous risk assessment were not addressed during the examination period.
- Performed vulnerability scans during the examination period.
- Established a configuration management policy.
- Established a comprehensive data classification methodology for classifying its data most susceptible to attack to ensure adequate protection.

We also noted the Agency could not provide a log of cybersecurity events for the entire examination period. The log provided contained cybersecurity events for the period of November 2021 through June 2022.

*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 (NIST) 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.*

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies 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.

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2022-014. **FINDING:** Weaknesses in Cybersecurity Programs and Practices (Continued)

Agency officials indicated the exceptions were due to employee turnover, vacant positions, and oversight.

The lack of adequate cybersecurity programs and practices could result in unidentified risks and vulnerabilities, which could ultimately lead to the Agency's confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2022-014)

**RECOMMENDATION**

We recommend the Agency:

- Conduct a comprehensive risk assessment and implement risk reducing internal controls.
- Perform vulnerability scans and review results documenting the review including any corrective action plans taken to address the vulnerabilities.
- Maintain a complete list of security events.
- Develop configuration management policy and data classification policy.
- After establishing the data classification policy, ensure adequate protection of information by outlining the security controls for each classification.

**AGENCY RESPONSE**

The Agency agrees with the finding. The Agency is altering the schedule of their risk assessment to fall within audit examination periods. The Agency has acquired suitable penetration/vulnerability testing software and testing has commenced. The Agency has developed an Incident Tracking System to further expand the logging of cybersecurity events. The Agency has started drafting both a Configuration Management Policy and a Comprehensive Data Classification methodology.

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2022-015. **FINDING:** Inadequate Security Controls

The Illinois State Board of Education (Agency) did not maintain adequate security controls over its computing environment.

The Agency has established a myriad of applications in order to meet its mission and mandate. The Agency processes and maintains critical and confidential information within these applications.

As part of our testing, we obtained a population of servers to determine if the servers were properly updated for vendor released patches, service packs, and fixes to promote a secure computing environment. We noted two of 15 (13%) servers were not patched in a timely manner. The delays ranged from 248 to 693 days after the release of the vendor's patch.

Additionally, we tested network configurations and policies, noting:

- The Agency did not have a network configuration and patching policy.
- The network's security settings had a weakness.

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, System and Information Integrity and Configuration sections, requires entities to develop system and integrity policies and procedures, install software and firmware patches, and maintain proper controls over network security.

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Agency 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.

Agency officials indicated the exceptions were due to oversight.

Failure to have adequate security controls over the Agency's environment increases the risk of unauthorized access and the confidentiality, integrity and availability of systems and data will be compromised. (Finding Code No. 2022-015)

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2022-015. **FINDING:** Inadequate Security Controls (Continued)

**RECOMMENDATION**

We recommend the Agency review servers routinely to ensure patches are installed timely. We also recommend the Agency develop a network configuration and patching policy and strengthen controls over network security.

**AGENCY RESPONSE**

The Agency agrees with the finding. A review of the Agency’s automated patching system was conducted to ensure the servers in question were added and scheduled reminders have been set to verify. A Firewall Configuration and Patching Policy was finalized. The network security settings were changed to remove said weakness.

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**A. FINDING: Evidence-Based Funding Formula Error**

During the prior engagement, we noted the Illinois State Board of Education (Agency) did not exercise adequate internal control over the State’s Evidence-Based Funding Formula (Formula) or promptly disclose a significant known matter to the auditors. Specifically, we noted the Agency failed to ensure the accuracy of data used within the Formula resulted in several Evidence-Based Funding Organizational Units (E-BFOUs) receiving less Evidence-Based Funding than they were entitled to receive, one school district receiving a significant overpayment of its Evidence-Based Funding, and resulted in a material misstatement of the Agency’s financial statements and hindered the overall accuracy of liabilities reported in the State’s Annual Comprehensive Financial Report (ACFR). Further, we noted the Agency did not timely disclose this problem to us delaying completion of the Agency’s financial audit and could have hindered the timely completion of the State’s ACFR.

During the current engagement, we noted the Agency corrected the coding error which caused the data used within the Formula to become inaccurate. We further noted the Agency strengthened its internal controls in timely disclosing information to us in order for us to complete the Agency’s financial statement audit. However, during our testing, we identified that the Agency did not comply with the School Code with regards to how the Formula is calculated. As such, this finding will be considered partially repeated. For further details, see Finding No. 2022-002. (Finding Code No. 2021-001)

**B. FINDING: Lack of Census Data Reconciliations**

During the prior engagement, we noted the Agency did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate. During testing, we noted the Agency had not performed an initial complete reconciliation of its census data recorded by State Employees’ Retirement System of Illinois (SERS) to its internal records to establish a base year of complete and accurate census data, the Agency had not developed a process to annually obtain from SERS the incremental changes recorded by SERS and State of Illinois, Department of Central Management Services (CMS) in their census data records and reconcile these changes back the Agency’s internal supporting records.

During the current engagement, we noted the Agency strengthened its internal controls over the census reconciliation to ensure the reconciliation was complete in order to ensure adherence to accounting principles generally accepted in the United States of America. Further, the Agency developed a process to annually obtain from SERS its incremental changes and reconcile such changes back to the Agency’s internal supporting records. (Finding Code No. 2021-002, 2020-001)

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**C. FINDING: Noncompliance with the School Code on Bullying Prevention**

During the prior engagement, the Agency did not adequately monitor the implementation of the bullying prevention policies required by the School Code. For the schools tested in our sample, a few either did not file a policy on bullying with the Agency, filed a policy which was found to lack provisions required to be included in the policy, or were found to have not been recently reviewed or re-evaluated by the Agency.

During the current engagement, we noted the Agency sought legislative remedy with the passing of Public Act 102-894, effective May 20, 2022. This act clarified the Agency’s responsibility regarding the review and monitoring of each school’s policy on bullying. The Agency’s responsibility going forward is to monitor the implementation of policies created under the mandate, including tracking submissions and following up with individual schools if their policy was not satisfactory. In addition, the Agency is required to make a public listing of all school districts who fail to meet the requirements of the School Code; specifically, the twelve-criterion identified within the definition of a “policy on bullying”. As of the end of the engagement period, we noted the Agency had established internal controls to monitor the implementation of policies, including tracking submissions and following up with individual schools if their policy was not satisfactory. However, since Public Act 102-894 was not effective until May 20, 2022, the first posting of the public listing of all school districts who failed to meet the requirements of the School will not occur until after the end of the current engagement period. Therefore, we will be selecting this mandate for testing during the Agency’s State Compliance Examination for the two years ended June 30, 2024. (Finding Code No. 2020-002, 2018-002, 2016-001, 2014-003)

**D. FINDING: Insufficient Controls over School Construction Projects**

During the prior engagement, the Agency failed to process applications to determine and entitle eligible districts for school construction project grants.

During the current engagement, we noted the Agency sought legislative remedy with Public Act 102-723, effective May 6, 2022. This act removed the authority from the Agency to authorize and make grants to school districts from the School Infrastructure Fund. The authority now rests solely with the Capital Development Board (CDB). The Agency’s responsibility going forward is to open an application cycle to receive grant applications from school districts for school construction projects only if there is an appropriation of funds by the General Assembly and a release of the appropriated funds to the CDB for expenditure of grant awards. No grant application filed before the start of the first application cycle after June 30, 2022 may be considered. As such, the Agency’s revised responsibilities require a process of collecting grant applications, evaluating eligibility standards, determining priority, and ultimately approving eligibility. In order to follow-up on the revised level of responsibility, we will be selecting this mandate for testing during the Agency’s State Compliance Examination for the two years ended June 30, 2024. (Finding Code No. 2020-003, 2018-003, 2016-002)

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**E. FINDING:** Noncompliance with Annual State Report on Special Education Performance Reporting Requirements

During the prior engagement, the Agency did not comply with reporting requirements regarding the Annual State Report on Special Education Performance.

During the current engagement period, we noted the Agency sought legislative remedy with Public Act 102-894, effective May 20, 2022. This act removed the requirement to report on the performance of the due process hearing system in the Annual State Report on Special Education Performance. Going forward the Agency is required to post this data annually to its website by August 1st. In order to follow-up on the revised level of responsibility, we will be selecting this mandate for testing during the Agency’s State Compliance Examination for the two years ended June 30, 2024. (Finding Code No. 2020-004, 2018-004, 2016-007)

**F. FINDING:** Noncompliance with the School Code on Heroin and Opioid Drug Prevention Pilot Program

During the prior engagement, the Agency did not develop and establish a heroin and opioid prevention pilot program or comply with the reporting requirements in relation to the pilot program.

During the current engagement, we noted the Agency sought legislative remedy with Public Act 102-894, effective May 20, 2022. This act removed the requirement to create a pilot program and eliminated the reporting requirements. The updated statute now requires the Agency and the Department of Human Services to establish a heroin and opioid drug prevention program that offers educational materials and instruction on heroin and opioid abuse to all school districts in the State. In order to follow-up on the revised level of responsibility, we will be selecting this mandate for testing during the Agency’s State Compliance Examination for the two years ended June 30, 2024. (Finding Code No. 2020-006, 2018-007)

**G. FINDING:** Failure to Provide Timely Notification of Felony Convictions

During the prior engagement, the Agency did not provide timely notification to the State’s retirement systems of teachers’ felony convictions.

During the current engagement, we noted the Agency sought legislative remedy with Public Act 102-552, effective January 1, 2022. This act shifted the responsibility of notification to the individual school boards and removed all responsibility from the Agency. (Finding Code No. 2020-007, 2018-010)



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**H. FINDING: Insufficient Controls over Illinois Teaching Excellence Program**

During the prior engagement, the Agency failed to adequately monitor and enforce restriction under the Illinois Teaching Excellence Program. Specifically, we noted the Agency did not adequately monitor the activities of an intergovernmental agreement in which the Illinois State University administered the Illinois Teaching Excellence Program. The lack of controls resulted in payments in excess of the statutory limit to the National Board for Professional Teaching Standards. The overpayments totaled \$35,000.

During the current engagement, we noted the Agency implemented adequate internal controls to prevent noncompliance with the intergovernmental agreement, which included verifying payments not being made in excess of the statutory limit. (Finding Code No. 2020-008, 2018-011)

**I. FINDING: Noncompliance with Advisory Council on At-Risk Students Appointment and Reporting Requirements**

During the prior engagement, the Agency did not comply with the member appointment and reporting requirements for the Advisory Council on At-Risk Students.

During the current engagement, we noted the Agency sought legislative remedy with Public Act 102-458, effective August 20, 2021. This act fully repealed the Advisory Council on At-Risk Students. (Finding Code No. 2020-009)

**J. FINDING: Noncompliance with the School Safety Drill Act**

During the prior engagement, the Agency failed to implement all provisions of the School Safety Drill Act (Act). Specifically, we noted the Agency did not maintain records of annual school safety review compliance reports, did not have a system of allowing access to the records by the Office of the State Fire Marshal and other State agencies, and did not provide an annual report to the Office of the Governor and the Office of the State Fire Marshal concerning the compliance of school districts with the annual school safety review requirement.

During the current engagement, we noted the Agency implemented adequate internal controls which made appropriate assignment of responsibilities to ensure records of annual school safety review compliance reports are maintained. We also noted the Agency implemented a system of allowing access to the records. Finally, we determined the Agency established a direct line of reporting to the Office of the State Fire Marshal and the Office of the Governor via an annual report, as required by statute. (Finding Code No. 2020-010)

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**K. FINDING: Insufficient Controls over Annual Statement of Affairs**

During the prior engagement, the Agency did not have adequate internal controls in place to ensure each School Board’s compliance with the School Code when drafting and submitting its Annual Statement of Affairs (ASA). During our testing in the prior engagement, we noted the Agency’s prescribed ASA form did not contain a line for a school district to report their change in net cash position from the previous report period for each district fund. Additionally, the Agency did not maintain supporting documentation to provide evidence of the ASAs that were submitted by school districts during fiscal year 2019. Lastly, the Agency did not have controls in place to review the ASAs submitted by each School Board to ensure they met the requirements imposed by State law, prior to being posted to the Agency’s website.

During the current engagement, we noted changes were made to the Agency’s ASA form to allow school districts to report their change in net cash position. Additionally, during our sample testing of ASAs submitted to the Agency, we noted no issues with the maintenance of supporting documentation showing submission and review of the ASAs to ensure they met the requirements imposed by State law prior to being posted to the Agency’s website. (Finding Code No. 2020-011)

**L. FINDING: Noncompliance with Accelerated Placement Requirements**

During the prior engagement, the Agency failed to make information regarding accelerated placement of school children available to the public. Specifically, as of June 30, 2020, the Agency had failed to post on its website the 2018-2019 accelerated placement data reported by school districts.

During the current engagement, we noted the Agency made the information regarding accelerated placement of school children available to the public for both school years 2019-2020 and 2020-2021. (Finding Code No. 2020-012)

**M. FINDING: Noncompliance with Reporting Requirements for Teacher Preparation and Certification**

During the prior engagement, the Agency did not comply with reporting requirements regarding data on tests required for teacher preparation and certification. Specifically, we noted the Agency did not file with the General Assembly and the Governor, or make available to the public, a report listing the institutions of higher education engaged in teacher preparation, including certain testing data for each institution on or before October 1, 2018.

During the current engagement, we noted the Agency submitted and published all required reports due on or before October 1, 2018, and October 1, 2021. (Finding Code No. 2020-013)

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**N. FINDING:** Failure to Timely and Fully Implement Substitute Teacher Recruiting Program Rules

During the prior engagement, the Agency did not comply with requirements regarding the implementation and adoption of rules for a Substitute Teacher Recruiting Program (Program). We noted the Program was implemented and the rules governing it were adopted on October 29, 2019, 301 days following the statutorily established January 1, 2019, due date. Additionally, the adopted rules governing the Program did not include a provision requiring school districts, organized under Article 34 of the School Code and contracting with a substitute teacher recruiting firm, to certify to the Agency that it has adequate funds to fill and pay for all substitute teacher positions.

During the current engagement, we noted the Agency amended their governing rules established for the Program to include a requirement stating that districts must assure the Agency they have adequate funds to fill and pay for all substitute teacher positions. Additionally, the Agency's prescribed Substitute Teacher Recruitment Assurance Form for the Program was updated accordingly. (Finding Code No. 2020-014)

**O. FINDING:** Noncompliance with School Code on Persistently Dangerous Schools

During the prior engagement, the Agency did not comply with the requirements to maintain and publish an annual listing of all persistently dangerous schools. Specifically, we noted the Agency did not maintain data or publish an annual listing of persistently dangerous schools since August 21, 2007.

During the current engagement, we noted the Agency implemented adequate internal controls to receive, maintain, and publish data in an annual listing of persistently dangerous schools. Further, we noted the Agency made available annual reports listing all persistently dangerous schools for school years 2019-2020 and 2020-2021. (Finding Code No. 2020-016)

**P. FINDING:** Noncompliance with the School Code on Attacks on School Personnel

During the prior engagement, the Agency did not comply with the School Code regarding attacks on school personnel. Specifically, we noted that while the Agency compiled and posted to their website data regarding attacks on school personnel, the data was not compiled from monthly or annual statistical compilations of attacks on school personnel received from the Illinois State Police as required.

During the current engagement, we noted the Agency sought legislative remedy with Public Act 102-894, effective May 20, 2022. This act allowed schools to report incidents of attacks on school personnel through existing school incident reporting systems by no later than August 1st for the preceding school year. The statute now aligns with the Agency's previously established internal controls surrounding the reporting of attacks. (Finding Code No. 2020-018)

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**Q. FINDING:** Noncompliance with Requirements of the Emotional Intelligence and Social and Emotional Learning Task Force

During the prior engagement, the Agency did not comply with the timely completion of guidelines and recommendations of the Emotional Intelligence and Social and Emotional Learning Task Force (Task Force). Specifically, we noted the Task Force did not create the required learning curriculum, assessment guidelines, and best practices on emotional intelligence and social and emotional learning or make recommendations on the funding of appropriate services and the availability of sources of funding to address social and emotional learning, which were due by March 1, 2020. Additionally, the Task Force did not inscribe, approve, or post meeting minutes for their first three meetings in violation of the Open Meetings Act.

During the current engagement, we noted the Task Force issued its final report which included assessment guidelines, best practices, and recommendations on March 1, 2021. Additionally, we noted the Task Force inscribed, approved, and posted all their meeting minutes on the Agency's website as of the date the final report was issued. The Task Force was thereafter statutorily dissolved. (Finding Code No. 2020-020)

**R. FINDING:** Insufficient Controls over Termination of Access

During the prior engagement, we noted the Agency did not timely terminate employees' access to the Illinois State Board Web Application Security (IWAS) application, could not provide support for when the employees' network accounts had been deleted and failed to perform an annual review of users' access to the IWAS application.

During the current engagement, we tested a sample of terminated employees noting their access to IWAS and the network had been timely terminated after their separation. However, we continued to note the Agency did not perform an annual review of users' access to the IWAS application and we discovered additional new issues regarding review and termination of employee access to other systems. As a result, this finding will be considered partially repeated and these matters have been reported in Finding 2022-008. (Finding Code No. 2020-021)

**S. FINDING:** Insufficient Controls over Annual Report Data

During the prior engagement, the Agency failed to retain records that supported the statistics stated in the 2019 Annual Report in relation to bilingual programs. Specifically, we noted the supporting documentation used to complete the 2019 Annual Report was not retained by the Agency.

During the current engagement, we noted the Agency retained records to support the statistics stated in the 2020 and 2021 Annual Reports. (Finding Code No. 2020-022)

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**T. FINDING:** Noncompliance with the Gender Equity Advisory Committee Appointment Requirements

During the prior engagement, the Agency did not comply with the member appointment requirements of the Gender Equity Advisory Committee (Committee). The Agency was unable to provide documentation for many of the required member appointments, none of the appointments were made in a timely manner to allow for commencement of terms by January 1 of odd numbered years, the term of the Director of the Department of Labor was vacant for 189 days, and finally the term for the Secretary expired on December 31, 2018, and a replacement had not been elected by the end of the period.

During the current engagement, the Agency improved internal controls surrounding compliance requirements with the Committee's appointments. While we continued to note instances of noncompliance with appointment requirements, we considered the deficiencies noted to be immaterial. As a result, this finding has been moved to the Agency's Report of Immaterial Findings. (Finding Code No. 2020-023)

**U. FINDING:** Noncompliance with the Educational Mandates Annual Reporting Requirements

During the prior engagement, the Agency did not prepare the annual State mandate report in accordance with statutory requirements. Both reports published in the prior engagement period covered incorrect school years and neither of them included a listing of all mandates applicable to common schools during the school year covered by the report.

During the current engagement, we noted the Agency sought legislative remedy with Public Act 102-539, effective August 20, 2021, which changed the reporting requirements to cover only new State mandates applicable to common schools and removed a requirement for the Agency to highlight each mandate that first became effective to the common schools during the school year covered by the current annual report. We tested the reports submitted during the current examination period noting they complied with the updated legislation. (Finding Code No. 2020-024)

**V. FINDING:** Noncompliance with the State Charter School Commission Appointment Requirements

During the prior engagement, the Agency did not comply with the member appointment requirements of the State Charter School Commission (Commission).

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**V. FINDING:** Noncompliance with the State Charter School Commission Appointment Requirements (Continued)

During the current engagement, we noted the Commission was abolished by Public Act 101-543, effective July 1, 2020. The Agency assumed all the Commission’s powers and duties by creating a Charter Schools Department (Department) which is responsible for authorizing the charter school contracts and processing appeals. As part of our testing, we inquired of the Agency regarding any new authorizations of charter school contracts, appeals processed by the Agency, and tested a sample of those revenues and expenditures processed by the Department. Our testing resulted in no new charter school contracts being established, two appeals being adequately processed, and no exceptions regarding the Department’s processing of revenues and expenditures. (Finding Code No. 2020-025)

**W. FINDING:** Lack of Adequate Controls over the Review of Internal Controls over Service Providers

During the prior engagement, the Agency did not obtain or conduct timely independent internal control reviews over its service providers and was not aware of the need to do so.

During the current engagement, the Agency established controls to obtain and conduct internal control reviews over its service providers, however, during our follow-up testing we determined those controls were inadequate. As a result, this finding will be considered partially repeated and these matters have been reported in Finding 2022-009. (Finding Code No. 2020-026)