



**STATE OF ILLINOIS
COMMISSION ON EQUITY AND
INCLUSION**

STATE COMPLIANCE EXAMINATION

For the Eighteen Months Ended June 30, 2023

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



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STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
STATE COMPLIANCE EXAMINATION
For the Eighteen Months Ended June 30, 2023

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STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
STATE COMPLIANCE EXAMINATION
For the Eighteen Months Ended June 30, 2023

COMMISSION OFFICIALS

Director, Acting (05/10/2023 – Present)	Ms. Alexandria Wilson
Director (04/15/2023– 05/09/2023)	Vacant
Director, Acting (01/01/2022 – 04/14/2023)	Ms. Kellye A. Keyes
Fiscal Officer	Ms. Tracey Kenney
General Counsel (10/01/2023 – Present)	Carlos Andres Padua
General Counsel (01/01/2022 – 09/30/2023)	Vacant
Chief of Staff	Mr. Robin Streets

GOVERNING COMMISSIONERS

Commission Chair (11/07/2023 – Present)	Ms. Nina Harris
Commission Chair, Acting (05/10/2023 – 11/06/2023)	Ms. Nina Harris
Commission Chair (04/15/2023– 05/09/2023)	Vacant
Commission Chair, Acting (01/01/2022 – 4/14/2023)	Ms. Kellye A. Keyes
Commissioner (01/28/2022 – Present)	Ms. Ennedy Rivera
Commissioner (01/01/2022 – 01/27/2022)	Vacant
Commissioner (03/15/2022 – Present)	Mr. Bruce Montgomery
Commissioner (01/01/2022 – 03/14/2022)	Vacant
Commissioner (10/05/2022 – Present)	Mr. Richard Costes
Commissioner (01/01/2022 – 10/04/2022)	Vacant
Commissioner (06/05/2023 – Present)	Mr. Benjamin Salentine
Commissioner (01/01/2022 – 06/04/2023)	Vacant
Commissioner (11/13/2023 – Present)	Ms. Ovelia Smith-Barton
Commissioner (05/10/2023 – 11/12/2023)	Vacant
Commissioner (11/01/2022 – 05/09/2023)	Ms. Nina Harris
Commissioner (01/01/2022 – 10/31/2022)	Vacant
Commissioner	Vacant

COMMISSION OFFICE

The Commission on Equity and Inclusion’s primary administrative office is located at:

115 S. LaSalle Street, 4N
Chicago, IL 60603



Illinois Commission on Equity and Inclusion

Nina M. Harris, Chairperson
Alexandria Wilson, Acting Executive Director
115 S. LaSalle Street, 4th Floor
Chicago, IL 60603

MANAGEMENT ASSERTION LETTER

May 15, 2024

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

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Commission on Equity and Inclusion (Commission). 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 Commission's compliance with the following specified requirements during the eighteen months ended June 30, 2023. Based on this evaluation, we assert that during the eighteen months ended June 30, 2023, the Commission has materially complied with the specified requirements listed below.

- A. The Commission 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 Commission 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 Commission 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 Commission 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.



Illinois Commission on Equity and Inclusion

Nina M. Harris, Chairperson
Alexandria Wilson, Acting Executive Director
115 S. LaSalle Street, 4th Floor
Chicago, IL 60603

Yours truly,

State of Illinois Commission on Equity and Inclusion

SIGNED ORIGINAL ON FILE

Alexandria Wilson, Acting Director

SIGNED ORIGINAL ON FILE

Tracey Kenney, Fiscal Officer

SIGNED ORIGINAL ON FILE

Carlos Andres Padua, General Counsel

**STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
STATE COMPLIANCE EXAMINATION
For the Eighteen Months Ended June 30, 2023**

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of Findings	Current Report	Prior Reports
	6	N/A*

*The Commission on Equity and Inclusion was formed on January 1, 2022. The State Compliance Examination for the eighteen months ended June 30, 2023 is the Commission on Equity and Inclusion’s first State Compliance Examination.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2023-001	9	New	Weaknesses Related to Personal Services	Significant Deficiency and Noncompliance
2023-002	12	New	Noncompliance with the State Employment Records Act	Significant Deficiency and Noncompliance
2023-003	14	New	Failure to Submit State Employment Plan Surveys	Significant Deficiency and Noncompliance
2023-004	16	New	Failure to Perform Required Reconciliations	Significant Deficiency and Noncompliance

STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
STATE COMPLIANCE EXAMINATION
For the Eighteen Months Ended June 30, 2023

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2023-005	17	New	Weaknesses in the Information Technology Function	Significant Deficiency and Noncompliance
2023-006	20	New	Noncompliance with Statutory Mandates	Significant Deficiency and Noncompliance

EXIT CONFERENCE

The Department waived an exit conference in a correspondence from Tracey Kenney, Fiscal Officer, on April 24, 2024. The responses to recommendations were provided by Tracey Kenney, Fiscal Officer, in a correspondence dated May 6, 2024.

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Commissioners
State of Illinois, Commission on Equity and Inclusion

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Commission on Equity and Inclusion (Commission) 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 eighteen months ended June 30, 2023. Management of the Commission is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Commission's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Commission 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 Commission 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 Commission 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 Commission 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.

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 Commission complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Commission complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Commission complied with the specified requirements during the eighteen months ended June 30, 2023, 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 2023-001 through 2023-006.

The Commission's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Commission'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 Commission 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 Commission's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Commission's compliance with the specified requirements and to test and report on the Commission's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001 through 2023-006.

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

The Commission's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Commission'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, 2024

STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Eighteen Months Ended June 30, 2023

SCHEDULE OF FINDINGS

2023-001. FINDING (Weaknesses Related to Personal Services)

The Commission on Equity and Inclusion (Commission) demonstrated weaknesses related to personal services.

During testing, we noted the following weaknesses:

Timesheets

During our testing of the Commission’s timesheets, we noted two of six (33%) timesheets were not submitted in a timely manner. These timesheets ranged from two to six days late.

The Illinois Administrative Code (80 Ill. Adm. Code 303.340) implemented and authorized by the Personal Code (20 ILCS 415/1) states that each operating agency shall maintain accurate, daily attendance records. The Commission’s Employee Handbook, section 7.4, states that to comply with the State Officials and Employee Ethics Act (Act) (5 ILCS 430/5-5(c)), all employees are required to correctly report their time spent on official State business. Where timesheet submission is required, employees must submit their weekly time report to their supervisor in a timely manner.

Commission management indicated managers and supervisors regularly remind their employees to submit their timesheets timely, but employees failed to adhere to management requests during the examination period.

Not submitting timesheets timely diminishes management oversight.

Statutorily Required Trainings

During our testing of employee statutorily required trainings, we noted one of two (50%) new hires did not complete their ethics training or harassment and discrimination prevention training within 30 days of their hire date. The trainings were completed twelve days late.

The Act (5 ILCS 430/5-10) states that each officer, member, and employee must complete, at least annually, an ethics training program. A person who fills a vacancy in an elective or appointed position that requires training and a person employed in a position that requires training must complete his or her initial ethics training within 30 days after commencement of his or her office or employment.

Additionally, the Act (5 ILCS 430/5-10.5) requires each officer, member, and employee must complete, at least annually, a harassment and discrimination prevention training program. A person who fills a vacancy in an elective or appointed position that requires training under this subsection must complete his or her initial harassment and discrimination prevention training program within 30 days after commencement of his or her office or employment.

STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Eighteen Months Ended June 30, 2023

2023-001. FINDING (Weaknesses Related to Personal Services) - Continued

Commission management indicated the exception occurred because the Commission did not have an efficient way to monitor employees related to completion of required trainings.

Failure to comply with statutory requirements related to employee training results in statutory noncompliance and could fail to establish expectations for employee behavior.

Employment Eligibility Verification Form

During our testing of *Employment Eligibility Verification Forms* (I-9), one of six (17%) employees tested did not have the I-9 signed by the employer within three business days of hire. The I-9 was signed three business days late. The Immigration Reform and Control Act of 1986 (8 U.S. Code § 1324a) Part 274a: Control and Employment of Aliens (8 C.F.R. § 274a.2) states that a person or entity that hires an individual for employment must ensure the individual properly completes Section 1 of Form I-9 at the time of hire and sign Section 2 of Form I-9 within three business days of the hire.

Commission management attributed the exception to a vacancy in the Human Resources Specialist role which prevented proper oversight.

Failure to properly complete Form I-9 results in noncompliance with Federal law and could subject the State to unnecessary legal costs and penalties.

Employee Performance Evaluations

During our testing of employee performance evaluations, six of six (100%) employees tested did not have documentation of annual performance evaluations. Two of the six (33%) employees tested were new hires. The Illinois Administrative Code (Code) (80 Ill. Admin. Code 500.240(b)) requires the Commission to prepare an employee performance evaluation annually for certified employees. The Code further requires the Commission to prepare two evaluations for employees serving a six-month probationary period - one at the end of the third month and another 15 days before the conclusion of the employee's six-month probationary period and one evaluation for employees serving a three-month probationary period at two-and one-half months after the commencement of the probationary period.

Commission management attributed the exception to a vacancy in the Human Resources Specialist role which prevented proper oversight.

Performance evaluations are a systemic and uniform approach used for the development of employees and communication of performance expectations. These evaluations should serve as the foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. (Finding Code No. 2023-001)

STATE OF ILLINOIS
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SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Eighteen Months Ended June 30, 2023

2023-001. FINDING (Weaknesses Related to Personal Services) - Continued

RECOMMENDATION

We recommend the Commission reinforce and ensure compliance of:

- Submitting timesheets in accordance with Commission policy;
- Timely taking statutorily required training;
- Retaining original, properly completed Form I-9 in employee personnel files; and
- Conducting annual employee performance evaluations.

COMMISSION RESPONSE

The Commission accepts the finding and recommendation. The Commission, as a new agency (formed 1/1/2022) was initially understaffed and was working to get acclimated with the various aspects of compliance related to Personal Services. The commission currently has human resources/payroll staffing to mitigate these areas of weakness and ensure compliance in this area moving forward.

STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Eighteen Months Ended June 30, 2023

2023-002. FINDING (Noncompliance with the State Employment Records Act)

The Commission on Equity and Inclusion (Commission) did not maintain documentation of submitting the Agency Workforce Report (Report) to the Office of the Governor and the Office of the Secretary of State.

The Commission was unable to provide documentation of the submission of the 2022 Report to the Office of the Secretary of State and the Governor’s Office. As a result, we were unable to test that the Report was submitted timely.

The State Employment Records Act (Act) (5 ILCS 410 *et seq.*) requires State agencies to annually report to the Office of the Secretary of State and the Governor’s Office the number of minorities, women, and physically disabled persons along with the related salary and statistical information to provide State officials and administrators with the information to help guide efforts to achieve a more diversified workforce. Additionally, the Act (5 ILCS 410/20) requires agencies to file, as public information and by January 1 each year, a copy of all reports required by this Act with the Office of the Secretary of State and shall submit an annual report to the Governor. Furthermore, the State Records Act (5 ILCS 160/8) requires the head of each agency to cause to be made and preserved records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

Commission management indicated that they were unaware of the need to maintain documentation of submission due to being a new agency.

The data contained in the Report is important to the State’s efforts in achieving a diversified workforce. Failure to maintain documentation of the submission of the reports were submitted to the Office of the Secretary of State and the Governor’s Office prevents testing compliance with the Act and results in noncompliance with the State Records Act. (Finding Code No. 2023-002)

RECOMMENDATION

We recommend the Commission work with Office of the Secretary of State and the Governor’s Office to determine whether the Report was submitted. If the Commission discovers the Report was not submitted, we recommend the Commission submit the Report as soon as possible. Going forward, we recommend the Commission maintain documentation of the submission of its statutorily required reports.

STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Eighteen Months Ended June 30, 2023

2023-002. FINDING (Noncompliance with the State Employment Records Act) - Continued

COMMISSION RESPONSE

The Commission accepts the finding and recommendation. The Commission has inquired with the Office of the Secretary of State and the Governor’s office and neither can validate our report for 2022 was received. Therefore, the Commission will send the 2022 report to both entities as soon as practical and keep documentation validating receipt. For 2023, the Commission has submitted the workforce report and has kept documentation from both entities and will continue going forward.

STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Eighteen Months Ended June 30, 2023

2023-003. FINDING (Failure to Submit State Employment Plan Surveys)

The Commission on Equity and Inclusion (Commission) did not submit required Employment Plan survey information to the Department of Central Management Services (CMS) and Department of Human Rights (DHR) for Fiscal Year 2022.

The Commission did not submit the required survey information to CMS or DHR for Fiscal Year 2022 for the State Bilingual Employment Plan, State Hispanic Employment Plan, State Asian American Employment Plan, African American Employment Plan, and the Native American Employment Plan.

The Civil Administrative Code of Illinois (Code) (20 ILCS 405/405 - 125) requires each State agency report annually to CMS and the DHR, in a format prescribed by CMS, all of the agency's activities in implementing the State Hispanic Employment Plan, the State Asian-American Employment Plan, and the Native American Employment Plan. Each agency's annual report shall include reports or information related to the agency's Hispanic, Asian-American, Native American, and bilingual employment strategies and programs that the agency has received from DHR, the CMS, or the Auditor General; findings made by the Governor in his or her report to the General Assembly; assessments of bilingual service needs based upon the agency's service populations; information on the agency's studies and monitoring success concerning the number of Hispanics, Asian-Americans, Native Americans, and bilingual persons employed by the agency at the supervisory, technical, professional, and managerial levels and any increases in those categories from the prior year; and information concerning the agency's Hispanic, Asian-American, Native American, and bilingual employment budget allocations.

Additionally, the African American Employment Plan Act (Act) (20 ILCS 30/20(b)) requires each State agency to report annually to CMS and DHR, in a format prescribed by CMS, all of the agency's activities in implementing the African American Employment Plan. Each agency's annual report shall include reports or information related to the agency's African American employment strategies and programs that the agency has received from CMS, DHR, or the Auditor General, pursuant to their periodic review responsibilities; findings made by the Governor in his or her report to the General Assembly; assessments of service needs based upon the agency's service populations; information on the agency's studies and monitoring success concerning the number of African Americans employed by the agency at the supervisory, technical, professional, and managerial levels and any increases in those categories from the prior year; and information concerning the agency's African American employment budget allocations.

Commission management attributed the issues noted to oversight due to being a new agency and thus unaware of this requirement.

Failure to collect all information required by the Code and Act could deter efforts by State officials, administrators, and residents to achieve a more diversified State workforce. (Finding Code No. 2023-003)

STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Eighteen Months Ended June 30, 2023

2023-003. FINDING (Failure to Submit State Employment Plan Surveys) - Continued

RECOMMENDATION

We recommend the Commission submit the State Bilingual Employment Plan, State Hispanic Employment Plan, State Asian American Employment Plan, African American Employment Plan, and the Native American Employment Plan surveys to CMS and DHR as required by statute.

COMMISSION RESPONSE

The Commission accepts the finding and recommendation. As a new commission (formed 1/1/2022), we were unaware of this requirement during Fiscal Year 2022. The Commission completed this requirement for Fiscal Year 2023 and will continue moving forward.

STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Eighteen Months Ended June 30, 2023

2023-004. FINDING (Failure to Perform Required Reconciliations)

The Commission on Equity and Inclusion (Commission) failed to perform monthly reconciliations of the Commission’s records to those of the Illinois Office of Comptroller.

The Commission did not perform monthly reconciliation between the Commission Records and the following Illinois Office of Comptroller reports:

- Comptroller’s Monthly Reconciliation Status Report (SB01) for Fiscal Years 2022 and 2023;
- Comptroller’s Monthly Revenue Status Report (SB04) for Fiscal Year 2023;
- Monthly Agency Contract Report (SC14 Report) for Fiscal Years 2022 and 2023; and,
- Monthly Obligation Activity Report (SC15 Report) for Fiscal Years 2022 and 2023.

The Statewide Accounting Management System (SAMS) (Procedure 07.30.20) requires agencies to reconcile their records to the SAMS system monthly. This reconciliation must be completed within 60 days of the month end. The key reports used for agency reconciliations include Monthly Revenue Status – Report SB04, Monthly Appropriation Status – Report SB01, (Monthly) Obligation Activity Report – Report SC15 and Agency Contract Report – Report SC14.

Commission management indicated that the failure to perform these monthly reconciliations was due to unfamiliarity with the requirements set forth by SAMS.

Failure to perform reconciliations of accounting records increases the risk differences will go undetected and reduces the effectiveness of data and user confidence in the accuracy of financial information. (Finding Code No. 2023-004)

RECOMMENDATION

We recommend the Commission ensure required reconciliations are timely performed.

COMMISSION RESPONSE

The Commission accepts the finding and recommendation. As a new Commission (1/1/2022), we were unaware of this Office of the Comptroller requirement. The Commission has implemented processes to ensure monthly reconciliations are completed.

STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Eighteen Months Ended June 30, 2023

2023-005. FINDING (Weaknesses in the Information Technology Function)

The Commission on Equity and Inclusion (Commission) had weakness related to information technology (IT) functions.

On January 25, 2016, the Governor signed Executive Order 2016-01, which created the Department of Innovation and Technology (DoIT). Under the Executive Order, DoIT assumed responsibilities for the State’s information technology decisions and spending, including the IT infrastructure and functions of the State Agencies. We noted that the Commission did not have an Interagency Agreement directly with DoIT during the engagement period outlining the roles and responsibility of DoIT and the Commission related to the Commission’s IT infrastructure and functions.

Additionally, during our testing we noted the Commission did not:

- Oversee the review of their active directory accounts, nor did they formally review their active directory accounts.
- Periodically review and document access rights within individual applications.
- Perform and document internal assessments over the DoIT System and Organization Control (SOC) reports.
- Implement their own policies as required by Identity Protection Act.
- Implement formal, documented policies related to the proper handling of confidential, sensitive, and Personally Identifiable Information (PII) data.

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 IT environment or operations to obtain assurance over the entities internal controls related to the services provided. Such assurance may be obtained via SOC reports or independent reviews. The Access Control section states an entity is to define within policies and procedures personal security transactions, establishment and termination of access, based on assessed risk of the entity’s environment. The Personally Identifiable Information Processing and Transparency section requires entities to develop and document policies related to the processing and transparency of personally identifiable information.

The Identity Protection Act (5 ILCS 179/37) requires each State government agency to draft and approve an identity-protection policy.

STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Eighteen Months Ended June 30, 2023

2023-005. FINDING (Weaknesses in the Information Technology Function) - Continued

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) required all State agencies 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 State's resources.

Additionally, the Intergovernmental Cooperation Act (5 ILCS 220/5) states that any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking or to combine, transfer, or exercise any powers, functions, privileges or authority which of any public agencies entering into the contract is authorized by law to perform, provided that such contract shall be approved by the governing bodies of each party to the contract and except where specifically and expressly prohibited by law. Such contract shall set forth fully the purposes, powers, rights, objectives and responsibility of the contracting parties.

Commission management attributed the weaknesses in its IT function to management oversight and being unaware of requirements due to being a new agency.

Without a formal agreement, the Commission does not have assurance of the adequacy of controls to ensure the security, processing integrity, availability, and confidentiality of its systems and data. The lack of adequate controls over IT could result in unidentified risk and vulnerabilities and ultimately lead to the Commission's personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2023-005)

RECOMMENDATION

We recommend the Commission:

- Enter into a detailed agreement with DoIT to ensure prescribed requirements and available security mechanisms are in place to protect the security, processing integrity, availability, and confidentiality of its systems and data.
- Document a periodic review of their active directory accounts.
- Document a periodic review of access rights within individual applications.
- Perform and document internal assessments over the DoIT System and Organization Control (SOC) reports.
- Implement formal, documented policies regarding the Identity Protection Act.

STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Eighteen Months Ended June 30, 2023

2023-005. FINDING (Weaknesses in the Information Technology Function) – Continued

- Implement formal, documented policies related to the how to properly handle confidential, sensitive, and PII data including guidance on:
 - Classifying their applications and data based upon critically and sensitive using the categories defined in the DoIT Data Classification Information Security Standard.
 - Following their avoidance of unnecessary collection of PII.
 - Guidance on how they minimized the use of PII in testing, training, and research.

COMMISSION RESPONSE

The Commission accepts the finding and recommendation. As a new Commission (formed 1/1/2022), the Commission was not initially engaged into an interagency agreement with the Department of Innovation and Technology (DoIT). The Commission will engage in conversations with DoIT personnel, as soon as practical, to create agreements, policies, and processes to address and implement this recommendation.

STATE OF ILLINOIS
COMMISSION ON EQUITY AND INCLUSION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Eighteen Months Ended June 30, 2023

2023-006. FINDING (Noncompliance with Statutory Mandates)

The Commission on Equity and Inclusion (Commission) did not comply with various statutory mandates.

During testing we noted the following:

- The Civil Administrative Code of Illinois (20 ILCS 405/405-535) (Code) requires each State agency and public institution of higher education to annually submit to the Commission a report, categorized by both race and gender, specifying the respective wage earnings of employees of that State agency or public institution of higher education. The Commission is required to compile the information submitted and make that information available to the public on the Internet website of the Commission. The Commission is further required to annually submit a report of the information compiled under this Section of the Code to the Governor and the General Assembly. The Commission did not request wage earnings information from each State agency or public institution of higher education during the examination period. Since no data was obtained, the Commission failed to make the required information available to the public on the Internet website of the Commission and failed to submit a report to the Governor and the General Assembly a report on the wage earnings of employees across the State.

Commission officials indicated that the noncompliance was a result of the lengthy process of switching the authority of this statute from the Department of Central Management Services to the Commission as well as the Commission's unfamiliarity with the requirements of the statute.

Failure to make wage information categorized by race and gender available on the Commission's website results in a lack of public transparency of possible wage gaps for the different races and genders. Failure to submit a wage earnings report to the Governor and the General Assembly can lead to misinformed Governor and members of the General Assembly.

- The Commission did not provide a report with all the required components to the Business Enterprise Council for Minorities, Women, and Persons with Disabilities (BEP Council) in fiscal year 2023. The final report submitted failed to include the following report components:
 - Dollar amount and percentage of participation by businesses owned by minorities, women, and persons with disabilities
 - Names of the certified firms identified in the utilization plan.

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2023-006. FINDING (Noncompliance with Statutory Mandates) - Continued

The Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575/8g) requires that the Commission and the BEP Council identify all State agency non-construction solicitations that exceed \$20,000,000 and that have less than 20% established goal prior to publication. The report is required to contain: the name of the awardee, the total bid amount, the established Business Enterprise Program goal, the dollar amount and percentage of participation by businesses owned by minorities, women, and persons with disabilities, and the names of the certified firms identified in the utilization plan. The Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575/5.5(e)) transferred the responsibilities of reports required within the Act to the Commission.

Commission officials stated the missing report components were due to an oversight.

Failure to produce these reports with all the required components hinders the BEP Council's knowledge of the current businesses owned by minorities, women and persons with disabilities who received non-construction awards.

- The General Assembly Organization Act (25 ILCS 5/3.1) requires whenever any law or resolution mandates a report to the General Assembly, that reporting requirement shall be satisfied by filing with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct; and with the Commission on Government Forecasting and Accountability, in the manner that the Commission shall direct. In addition, the reporting entity must make a copy of the report available for a reasonable time on its Internet site or on the Internet site of the public entity that hosts the reporting entity's World Wide Web page, if any. Additional copies shall be filed with the State Government Report Distribution Center for the General Assembly as required under paragraph (t) of Section 7 of the State Library Act. The Commission did not include any reports submitted to the General Assembly on its internet site nor did they provide the copies of the report to the State Government Report Distribution Center.

Commission officials indicated the noncompliance was the result of being a new agency and not being familiar with the requirements of the statutes.

Failure to include reports submitted to the General Assembly on the Commission's internet site or provide copies of the reports to the State Government Report Distribution Center results in a lack of public transparency.

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2023-006. FINDING (Noncompliance with Statutory Mandates) - Continued

- The State Library Act (15 ILCS 320/21(a)) requires all State agencies provide and deposit with the Illinois State Library sufficient copies of all publications issued by such State agencies for its collection and for exchange purposes. The Illinois Administrative Code (23 Ill. Admin. Code 3020.150) further requires that by July 15 of each year, each State agency shall inform the Government Documents Section in writing of the person, persons, or positions responsible for distribution of publications of that agency. The Commission did not provide and deposit with the State Library sufficient copies of any of its publications issued nor did they appoint a State Library contact.

Commission officials indicated the noncompliance was the result of being a new agency and not being familiar with the requirements of the statutes.

Failure to properly comply with the State Library Act and the Illinois Administrative Code requirements could result in a loss of Commission publications and mishandling of documents.

- The State Finance Act (30 ILCS 105/9.08) requires each State agency to provide to the State Comptroller a report that includes: (i) current State liabilities held at the agency, by fund source; (ii) whether the liabilities are appropriated; and (iii) an estimate of interest penalties accrued under the State Prompt Payment Act under criteria prescribed by the State Comptroller. The report shall be provided monthly in a time and form prescribed by the State Comptroller in which the State Comptroller may provide a waiver to the monthly reporting requirement if a State agency does not have State liabilities. The Commission failed to provide the State Comptroller or receive a waiver for any of the monthly reports required by the State Finance Act.

Commission officials indicated the noncompliance was the result of being a new agency and not being familiar with the requirements of the statutes.

Failure to provide the required information to the State Comptroller results in a lack of public transparency regarding the Commission's outstanding liabilities. (Finding Code No. 2023-006)

RECOMMENDATION

We recommend the Commission:

- Gather information categorized by both race and gender, specifying the respective wage earnings of employees of that State agency or public institution of higher education, post the results of the information on the Commission's website and file the required report with the General Assembly and the Governor;
- Include all required components in the report to the BEP Council;

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2023-006. FINDING (Noncompliance with Statutory Mandates) - Continued

- Include reports submitted to the General Assembly on the Commission’s Internet site and provide copies of the reports to the State Government Report Distribution Center;
- Provide and deposit with the State Library sufficient copies of the Commission’s publications issued and appoint a State Library contact; and
- Provide the State Comptroller monthly reports required by the State Finance Act or receive a waiver.

COMMISSION RESPONSE

The Commission accepts the finding and recommendation. The Commission is actively working to correct/implement the recommendation.