



State of Illinois
ILLINOIS COMMUNITY COLLEGE BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025

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

**STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025**

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BOARD OFFICIALS

Executive Director	Mr. Brian Durham
Deputy Executive Director	Ms. Jennifer Foster
Chief of Staff	Mr. Matt Berry
Deputy Director for Finance and Operations	Ms. Jennifer Franklin

BOARD OFFICERS

Chair of the Board (07/01/25 – Present)	Dr. Sylvia Jenkins
Chair of the Board (07/01/23 – 06/30/25)	Dr. Lazaro Lopez
Vice Chair of the Board	Dr. Teresa Garate

GOVERNING BOARD MEMBERS

Member	Dr. Maureen Mosley Banks
Member	Ms. Mara Botman
Member	Ms. An-Me Chung
Member (11/15/24 – Present)	Ms. Lisa Dziekan
Member (06/22/24 – 11/14/24)	Vacant
Member (07/01/23 – 06/21/24)	Mr. Nicholas Kachiroubas
Member (09/22/23 – Present)	Mr. George Evans
Member (09/12/23 – 09/21/23)	Vacant
Member (07/01/23 – 09/11/23)	Mr. Terry Bruce
Member	Mr. Marlon McClinton
Member (11/17/25 – Present)	Dr. Jeanne McDonald
Member (07/01/23 – 11/16/25)	Mr. Craig Bradley
Member	Mr. Larry Peterson
Member (12/12/25 – Present)	Mr. Hector Garcia
Member (07/01/25 – 12/11/25)*	Vacant
Member (07/01/23 – 06/30/25)	Dr. Sylvia Jenkins

**Vacancy due to end of term of Dr. Lazaro Lopez*

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GOVERNING BOARD MEMBERS (Continued)

Student Member (07/01/25 – present)	Ms. Allison Meese
Student Member (12/03/24 – 06/30/25)	Vacant
Student Member (07/01/24 – 12/02/24)	Ms. Aubrey Hebenstreit
Student Member (07/01/23 – 06/30/24)	Mr. Wes Eggert

BOARD OFFICE

The Illinois Community College Board's primary administrative office is located at:

Illinois Community College Board
401 East Capitol Avenue
Springfield, IL 62701



MANAGEMENT ASSERTION LETTER

February 26, 2026

Adelfia LLC
400 E Randolph Street, Suite 700
Chicago, Illinois 60601

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, Illinois Community College Board (Board). 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 Board's compliance with the following specified requirements during the two-year period ended June 30, 2025. Based on this evaluation, we assert that during the years ended June 30, 2024, and June 30, 2025, the Board has materially complied with the specified requirements listed below.

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

Yours truly,

State of Illinois, Illinois Community College Board

SIGNED ORIGINAL ON FILE

Date 02/26/2026

Brian Durham
Executive Director

SIGNED ORIGINAL ON FILE

Date 02/26/2026

Matt Berry
Chief of Staff

SIGNED ORIGINAL ON FILE

Date 02/26/2026

Jennifer Franklin
Deputy Director for Finance and Operations

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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 or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	13	12
Repeated Findings	10	-
Prior Recommendations Implemented or Not Repeated	2	1

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2025-001	11	2023/2023	Inadequate Controls over Initiating and Monitoring Grants	Material Weakness and Material Noncompliance
2025-002	15	New	Receipt Processing Internal Controls Not Operating Effectively	Material Weakness and Material Noncompliance
2025-003	17	2023/2023	Voucher Processing Weaknesses	Significant Deficiency and Noncompliance
2025-004	20	2023/2023	Inadequate Controls over Monthly Reconciliations	Significant Deficiency and Noncompliance
2025-005	22	New	Weakness in State CTE Grant Calculation	Significant Deficiency and Noncompliance

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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 (Continued)				
2025-006	24	2023/2023	Inadequate Controls over Reporting	Significant Deficiency and Noncompliance
2025-007	26	2023/2023	Inadequate Controls over Contractual and Interagency Agreements	Significant Deficiency and Noncompliance
2025-008	28	2023/2023	Failure to Enforce Reporting Requirements	Significant Deficiency and Noncompliance
2025-009	29	2023/2023	Inadequate Controls over Personal Services	Significant Deficiency and Noncompliance
2025-010	32	2023/2023	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2025-011	34	2023/2023	Inadequate Controls over Contingency Planning	Significant Deficiency and Noncompliance
2025-012	36	New	Inadequate Controls over User Access Rights	Significant Deficiency and Noncompliance
2025-013	38	2023/2023	Board Member Vacancies	Noncompliance
Prior Findings Not Repeated				
A	40	2023/2023	Noncompliance with Student Parent Data Collection Act	
B	40	2023/2023	Inadequate Controls over External Service Providers	

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EXIT CONFERENCE

The Board waived an exit conference in a correspondence from Jennifer Franklin, Deputy Director for Finance and Operations, on February 11, 2026. The responses to these recommendations were provided by Jennifer Franklin, Deputy Director for Finance and Operations, in a correspondence dated February 26, 2026.



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
State of Illinois, Illinois Community College Board

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Illinois Community College Board (Board) 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, 2025. Management of the Board is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Board 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 Board 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 Board 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 Board 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 Board on behalf of the State or held in trust by the Board 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 Board complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Board 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 Board's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the Board during the two years ended June 30, 2025. As described in the accompanying Schedule of Findings as item 2025-001, the Board had not 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. As described in the accompanying Schedule of Findings as item 2025-002, the Board had 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 2025-002, the Board had not ensured the State revenues and receipts collected by the Board were in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts was fair, accurate, and in accordance with law.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the Board complied with the specified requirements during the two years ended June 30, 2025, 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 2025-003 through 2025-013.

The Board's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Board'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 Board 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 Board's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Board's compliance with the specified requirements and to test and report on the Board's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 2025-001 and 2025-002 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 2025-003 through 2025-012 to be significant deficiencies.

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

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

Chicago, Illinois
February 26, 2026

**STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025**

2025-001. **FINDING** (Inadequate Controls over Initiating and Monitoring Grants)

The Illinois Community College Board (Board) did not exercise adequate controls over initiating and monitoring grant agreements.

Grant Agreements Testing

We selected a sample of 40 grant agreements in effect during Fiscal Years 2024 and 2025 between the Board and various entities representing 33 grant programs. During our testing, we noted the following:

- Eleven (28%) grant agreements were not signed prior to the start of the grant period. The grants were signed between 31 and 149 days from grant execution date.
- One (3%) grant agreement did not contain a provision that all funds remaining at the end of the grant agreement or at the expiration of the period of time grant funds are available for expenditure or obligation by the grantee shall be returned to the State within 45 days.
- Sixteen (40%) grant agreements did not contain the certification that the funds shall be used only for the purposes described in the grant agreement; and that the award of grant funds is conditioned upon such certification.
- Three (8%) grant agreements contained dates that were inconsistent with the term dates under the Pre-Award Costs provisions.

Further, based on our testing of the specific requirements for each 40 grant agreements, we noted the following:

- For two (5%) grant agreements, the financial reports submitted by the grantee did not contain the certification required by the grant agreement.
- For one (3%) grant agreement, the Board did not process the voucher for distribution of the grant. The grant agreement provides the Board will process payment in full upon execution of the agreement.
- For 19 (48%) grant agreements, the grantees either did not provide required documentation to the Board, the required reporting did not meet the timeframes and/or specifications outlined in the grant agreement, or documentation was not retained by the Board to demonstrate the required documentation was received and the grantee met all related requirements. It is the Board's responsibility to enforce the submission of all required documentation and maintain adequate record-keeping over its grant programs.

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Board officials indicated the untimely signing of grant agreements was due to administrative delays in the preparation, review, and routing of agreements for signature; the missing provisions and inconsistent term dates were due to typographical error and outdated grant agreement templates used; the missing required certification on financial report was due to grantee submitting an outdated template; and the remaining exceptions were due to oversight, competing priorities, and processes that do not automatically date the receipt of reports.

Unused Grant Funds

We performed testing of unused grant funds and noted the following:

- Of the 40 grant agreement samples above, 27 grant agreements closed or ended during Fiscal Years 2024 and 2025 where the Board was a grantor:
 - For one (4%) grant tested, \$703 of the grant was not returned by the grantee to the Board after the end of the grant period.
 - For two (7%) grants tested, unused funds totaling \$70,893 were returned by the grantee to the Board one and 14 days late.
- There were nine grant agreements that closed or ended during Fiscal Years 2024 and 2025 where the Board was a grantee:
 - For one (11%) grant tested, unused funds amounting to \$4,839 was not returned by the Board to the grantee after the end of the grant period.
 - For one (11%) grant tested, unused funds amounting to \$3,233 was returned by the Board 151 days late.

Board officials indicated the exceptions related to unused grant funds were due to oversight and delays associated with monitoring grant closeout activities, including tracking grant end dates and ensuring the timely return of unused funds. These delays were exacerbated by staffing limitations, competing priorities, and the timing of refunds received from grantees.

The Grant Accountability and Transparency Act (30 ILCS 708/45(g)) requires the Board to enhance its processes to monitor and address noncompliance with reporting requirements and with program performance standards. Where applicable, the process may include a corrective action plan. The monitoring process shall include a plan for tracking and documenting performance-based contracting decisions.

The Illinois Grant Funds Recovery Act (30 ILCS 705/4(b)) states that at a minimum, a grant agreement must: (a) be signed by the grantor agency making the grant and all grantees of the grant, (b) contain a provision that all funds remaining at the end of the

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grant agreement or at the expiration of the period of time grant funds are available for expenditure or obligation by the grantee shall be returned to the State within 45 days, (c) contain a provision in which the grantee certifies under oath that all information in the grant agreement is true and correct to the best of the grantee's knowledge, information, and belief; that the funds shall be used only for the purposes described in the grant agreement; and that the award of grant funds is conditioned upon such certification, and (d) specify the period of time for which the grant is valid and, subject to the limitation of Section 5, the period of time during which grant funds may be expended by the grantee. In addition, 30 ILCS 705/5 states any grant funds not expended or legally obligated by the end of the grant agreement must be returned to the grantor agency within 45 days.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are used efficiently, effectively, and in compliance with applicable law. In addition, good business practices require the Board and its grantees to sign grant agreements prior to the beginning of the grant period covered by the agreement.

Further, the State Records Act (Act) (5 ILCS 160/9) requires the Board to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board designed to protect the legal and financial rights of the State and of persons directly affected by the Board's activities. The Act also requires the Board to establish and maintain an active, continuing program for the economical and efficient management of the records of the Board. Such program shall provide for effective controls over the creation, maintenance, and use of records.

Failure to adequately monitor the terms and conditions of grant agreements, including receipt of all required documentation, could result in improper use and payment of grant funds. In addition, failure to obtain and maintain supporting documentation for grantee reporting hinders the Board's ability to protect the legal and financial rights of the State and grantees. Finally, failure to return or timely return unused grant funds decreases the Board's accountability over funds granted and increases the risk of noncompliance with the provisions the Act and the grant agreements, which could result in funds being utilized for activities other than their intended purpose, as well as delays in recovering unused funds. (Finding Code No. 2025-001, 2023-001)

RECOMMENDATION

We recommend the Board ensure grant application and budget deadlines and agreement start dates allow sufficient time for approval of grant agreements by all parties prior to the effective date. We further recommend the Board implement and enforce internal controls to ensure grant agreements are accurate and contain required provisions and all reporting requirements are adhered to by the grantees.

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Finally, we recommend the Board strengthen its procedures to enforce timely return of unused grant funds and comply with the Grant Funds Recovery Act.

BOARD RESPONSE

The Board concurs with the finding. The Board implemented procedures to ensure grant applications and budget timelines provide sufficient time for full execution of grant agreements prior to the effective date. Standardized templates, enhanced monitoring, and improved procedures have been implemented to ensure agreements contain required provisions and that grantee reporting requirements are met.

The Board has also enhanced procedures to ensure timely recovery of unused grant funds and compliance with the Grant Funds Recovery Act.

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2025-002. **FINDING** (Receipt Processing Internal Controls Not Operating Effectively)

The Illinois Community College Board (Board) internal controls over its receipt processing function were not operating effectively during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning (ERP) System operated by the Department of Innovation and Technology (DoIT), we were able to limit our receipt testing at the Board to determine whether certain key attributes were properly entered by the Board’s staff into the ERP System. In order to determine the operating effectiveness of the Board’s internal controls related to receipt processing, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the ERP System based on supporting documentation. The attributes tested during the receipts testing were (1) amount, (2) fund being deposited into, (3) date of receipt, (4) date deposited, and (5) SAMS Source Code. In addition, the attributes tested during the refund receipts testing were (1) amount, (2) date of receipt, (3) date deposited, and (4) offset against the correct appropriation code.

Our testing of receipts noted 27 of 140 (19%) attributes were not properly entered into the ERP System. In addition, 19 of 28 (68%) and three of 28 (11%) receipts tested did not include any documentation evidencing the deposit date and date of receipt, respectively. Hence, we were unable to determine the accuracy and basis of the entry of deposit date into the ERP System nor determine the date of receipt. Finally, for three of 28 (11%) receipts tested, the incorrect receipt account code was used in the Receipts Deposit Transmittal Form.

Further, our testing of refund receipts noted 35 of 140 (25%) attributes were not properly entered into the ERP System. In addition, four of the 35 (11%) refund receipts tested did not include any documentation evidencing the date of receipt. Hence, we were unable to determine the date of receipt.

Therefore, the Board’s internal controls over receipt processing **were not operating effectively**.

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2(a)) requires the Board to maintain a detailed record of all moneys received, which is to include date of receipt, the payor, purpose and amount, and the date and manner of disbursement. Additionally, the Statewide Accounting Management System (SAMS) Manual (Procedure 25.10.10) requires the Board to segregate the moneys into funds and document the source of the moneys. Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues, expenditures, and transfers of assets, resources, or funds applicable to the 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.

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The State Records Act (5 ILCS 160/8) requires the Board to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Board's activities.

Due to the above conditions, we qualified our opinion because we determined the Board had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In addition, the Board's receipts data did not document the date on which the payment was received for 8,883 of 10,679 (83%) receipts. As such, we were unable to determine whether the Board deposited the receipts timely.

As a result of the issues noted, we did not attempt to test timeliness of the Board's remaining 1,796 receipts.

The Act (30 ILCS 230/2(a)) requires the Board to maintain a detailed record of all moneys received, which is to include date of receipt, the payor, purpose and amount, and the date and manner of disbursement.

Board officials indicated the exceptions resulted from inadequate procedures and training related to receipt processing, including a lack of clarity regarding required documentation and the specific dates that must be recorded in the ERP System.

Failure to properly enter the key attributes into the State's ERP System when processing a receipt hinders the reliability and usefulness of data extracted from the ERP System, which can result in improper recording of revenues. Also, failure to maintain documentation of deposit date and date of receipt represents noncompliance with the Act. (Finding Code No. 2025-002)

RECOMMENDATION

We recommend the Board design and maintain internal controls to provide assurance its data entry of key attributes into the ERP System is complete and accurate.

BOARD RESPONSE

The Board concurs with this finding. The Board has taken corrective actions to strengthen compliance with applicable statutes by implementing revised procedures and targeted staff training to ensure accuracy and completeness of ERP data entry and supporting records.

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2025-003. **FINDING** (Voucher Processing Weaknesses)

The Illinois Community College Board (Board) did not have adequate controls over voucher processing.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning (ERP) System operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Board to determine whether certain key attributes were properly entered by the Board’s staff into the ERP System. In order to determine the operating effectiveness of the Board’s internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State’s ERP System based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

We then conducted an analysis of the Board’s expenditures data for Fiscal Years 2024 and 2025 and noted the following:

- The Board owed 11 vendors interest totaling \$6,194 in Fiscal Years 2024 and 2025; however, the Board had not approved these vouchers for payment to the vendors.

The State Prompt Payment Act (Act) (30 ILCS 540) requires the Board to pay vendors who had not been paid within 90 days of receipt of a proper bill or invoice interest.

- The Board did not timely approve 2,271 of 10,490 (22%) vouchers processed during the examination period, totaling \$95,664,845. We noted these vouchers were approved between 31 and 264 days after receipt of a proper bill or other obligating document.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70) requires the Board to timely review each vendor’s invoice and approve proper bills within 30 days after receipt. The Code (74 Ill. Admin. Code 1000.50) also requires the Board to process payments within 30 days after physical receipts of Internal Service Fund bills.

The Fiscal Control and Internal Auditing Act (FCIAA) (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit

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the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State’s resources.

In addition, during our testing of 25 travel vouchers, we noted the following:

- Four (16%) travel vouchers, totaling \$1,133, were not submitted timely, ranging from 62 to 394 days from the last date of travel.

Internal Revenue Service Publication 463 requires travelers to submit an adequate accounting of all business expenses within 60 days after the last date of travel.

- For three (12%) travel vouchers, totaling \$320, the corresponding annual licensure and insurance certifications of the employee traveler were not provided for the respective fiscal year being tested. One of the certifications for Fiscal Year 2025 was completed and submitted by the employee after the issue was brought to the Board’s attention.

The Code (80 Ill. Admin. Code 3000.300) requires the Board employees to file a statement certifying that employees using privately owned vehicles on State business are duly licensed and carry at least the minimum insurance coverage or shall require that certification to be noted on the travel voucher.

Section 14.1 of the Board’s Employee Guidebook requires employees to maintain automobile insurance in the amounts required by law and have a current Certification of Automobile Insurance on file with the Vehicle Coordinator.

The State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Board’s activities.

Board officials indicated the issues noted were due to a combination of data entry errors and processing delays as a result of staff turnover. In certain instances, vouchers could not be approved until grantor funds were received. Additionally, errors in the entry of baseline information and receipt or service dates contributed to untimely processing. Board officials further indicated that delays in receiving complete supporting documentation or required clarification affected the timely submission and approval of vouchers.

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Failure to timely process proper bills and obligations due may result in noncompliance, unnecessary interest charges, and cash flow challenges for payees. Failure to approve vouchers for payment of interest due represents noncompliance with the Act. Failure to submit travel vouchers timely increases the risk that errors or irregularities could occur and would not be identified by employees performing their functions in the normal course of business. Finally, failure to maintain the annual certification of licensure and automobile liability insurance coverage could expose the Board to unnecessary litigation risks and is considered noncompliance with State laws and regulations. (Finding Code No. 2025-003, 2023-002)

RECOMMENDATION

We recommend the Board timely approve proper bills and obligations due and approve vouchers for payment of interest due to vendors. We further recommend the Board to strengthen its internal controls over travel vouchers to ensure timely submission of vouchers and submission of annual licensure and insurance certification.

BOARD RESPONSE

The Board concurs with this finding. The Board implemented corrective actions to strengthen compliance with statutory requirements and applicable administrative requirements. These actions include enhanced written procedures, additional staff training, and periodic monitoring of voucher processing to promote timely approval of proper bills and obligations, and accurate calculation and payment of any interest due to vendors.

In addition, the Board strengthened internal controls over travel voucher processing by reinforcing submission timelines, establishing follow-up procedures, and implementation of a tracking process to ensure annual licensure and insurance certifications are submitted timely and reviewed for completeness.

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2025-004. **FINDING** (Inadequate Controls over Monthly Reconciliations)

The Illinois Community College Board (Board) did not maintain adequate controls over monthly reconciliations.

The Board expended \$550.5 million and \$499.6 million from nine funds in Fiscal Years 2024 and 2025, respectively. The Board collected total revenues of \$61.2 million and \$31.7 million which were deposited into eight funds in Fiscal Years 2024 and 2025, respectively.

During testing of the Board’s monthly reconciliations, we noted the following:

- Three of 31 (10%) monthly reconciliations of the Board’s internal records to the Office of Comptroller’s *Monthly Agency Contract Report* (SC14) were not performed timely, ranging from 14 to 69 days late.
- One of 31 (3%) monthly reconciliations of the Board’s internal records to the Comptroller’s SC14 was not performed in Fiscal Year 2024.
- One of 24 (4%) monthly reconciliations of the Board’s internal records to the Comptroller’s *Monthly Revenue Status Report* (SB04) was performed two days late.
- One of 24 (4%) monthly reconciliations of the Board’s internal records to the Comptroller’s SB04 was not dated. As a result, we were unable to determine whether the reconciliation was performed timely.
- One of 31 (3%) monthly reconciliations of the Board’s internal records to the Comptroller’s *Monthly Appropriations Status Report* (SB01) was not performed in Fiscal Year 2024.
- Two of 31 (6%) monthly reconciliations of the Board’s internal records to the Comptroller’s *Appropriation Transfer Report* (SB03) were performed 14 and 45 days late.
- Twenty-two of 144 (15%) monthly reconciliations of the Board’s internal records to the Comptroller’s *Monthly Cash Report* (SB05) were not performed in Fiscal Years 2024 and 2025.
- Two of 144 (1%) monthly reconciliations of the Board’s internal records to the Comptroller’s SB05 were performed one and two days late.

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- One of 144 (1%) monthly reconciliations of the Board’s internal records to the Comptroller’s SB05 was not initialed and dated. As a result, we were unable to determine whether the reconciliation was performed timely. Further, there was no explanation or disposition for the variances appearing on the report.

The Statewide Accounting Management System (SAMS) Manual (Procedure 07.30.20) requires the Board to perform monthly reconciliations of the Office of Comptroller’s SB01, SB03, SB04, SB05, and SC14 or SC15 reports to its internal records within 60 days of month end to ensure the early detection and correction of errors. Further, the State Records Act (5 ILCS 160/9) requires the Board to establish and maintain an active, continuing program for the economical and efficient management of the records of the Board. Such program shall provide for effective controls over the creation, maintenance, and use of records.

Board officials indicated the issues noted were due to oversight during staff transition of duties and competing priorities.

Failure to timely complete and properly document reconciliations of the Board’s records to the Office of Comptroller’s reports hinders the ability of staff to identify and correct errors which could result in incomplete and inaccurate financial information. (Finding Code No. 2025-004, 2023-003)

RECOMMENDATION

We recommend the Board allocate resources and implement controls to ensure all required monthly reconciliations are performed, documented, and reviewed timely.

BOARD RESPONSE

The Board concurs with the finding. The Board implemented enhanced supervisory review to ensure reconciliations are completed, documented, and reviewed within required timeframes. Duties were reassigned and reconciliation responsibilities prioritized to ensure continued compliance.

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2025-005. **FINDING** (Weakness in State CTE Grant Calculation)

The Illinois Community College Board (Board) did not maintain adequate controls over the calculation of the State’s Career and Technical Education (CTE) Formula Grant distributed to community college districts.

The CTE Formula Grant is based on occupational credit hours. As the CTE Formula Grant is a State grant and there is not a required grant allocation formula required by statute, the Board has discretion for how it distributes the funds. During Fiscal Year 2025, the allocation methodology used by the Board was equal to the higher of the most recent certified hours or the past three years’ average credit hours.

During our testing, we noted the Board’s basis of allocation for the State’s CTE Formula Grant for Fiscal Year 2025 was inaccurate. Specifically, the Board used the higher of the 2021 credit hours or the past three years’ average credit hours instead of the higher of the 2023 credit hours (most recent certified hours) or the past three years’ average credit hours. This resulted in underpayment ranging from \$365 to \$53,856 or overpayment ranging from \$1,534 to \$56,763 to 39 community college districts.

The State Records Act (5 ILCS 160/9) requires the Board to establish and maintain an active, continuing program for the economical and efficient management of the records of the Board, including providing for effective controls over the creation, maintenance, and use of records.

The Fiscal Internal Control and Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are used efficiently, effectively, and in compliance with applicable law.

Board officials indicated the issue noted was due to an error in the Fiscal Year 2025 formula workbook.

Failure to properly calculate grant allocation may result in community college districts not receiving complete and accurate grant distributions and resulted in noncompliance with the Board’s allocation methodology. (Finding Code No. 2025-005)

RECOMMENDATION

We recommend the Board implement controls to ensure accurate documentation is maintained to support its distribution of State CTE Formula Grant funds.

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BOARD RESPONSE

The Board concurs with the finding. The Board implemented procedures to ensure allocation workbooks are supported by documented methodologies, validated source data, and secondary review. Additionally, grant calculations are independently verified prior to final distribution.

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2025-006. **FINDING** (Inadequate Controls over Reporting)

The Illinois Community College Board (Board) did not comply with statutory reporting responsibilities.

During our testing, we noted the following:

- The Fiscal Year 2023 and 2024 Agency Workforce Reports reported inaccurate information:
 - For five of 10 (50%) income brackets, the total number of employees and related calculated percentages did not agree with the Board’s supporting documentation. This error also resulted in the number and calculated percentages of Total Employees line item to be incorrect.
 - The employees and related calculated percentages for the Openings Filled – New Hires line item also did not agree with the Board’s supporting documentation.

The Board subsequently revised and submitted the amended Fiscal Year 2023 and 2024 Agency Workforce Reports to the Governor’s Office and Secretary of State, after this issue has been brought to their attention.

The State Employment Records Act (5 ILCS 410 *et seq.*) requires the Board to develop a comprehensive procedure to collect, classify, maintain, and publish, for State and public use, information providing the General Assembly and the People of the State with adequate information of the number of minorities, women, and physically disabled persons employed by State government within the State work force.

The State Records Act (5 ILCS 160/ 9) requires the Board to establish and maintain an active, continuing program for the economical and efficient management of the records of the Board. Such program shall provide for effective controls over the creation, maintenance, and use of records.

- Two of four (50%) Travel Headquarters Reports (Form TA-2) were filed with the Legislative Audit Commission (LAC) 10 and 473 days late.

The State Finance Act (30 ILCS 105/12-3) requires the Form TA-2 reports be filed with the LAC no later than July 15 for the period from January 1 through June 30 of that year and no later than January 15 for the period from July 1 through December 31 of the preceding year.

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- The Fiscal Year 2024 Agency Fee Imposition Report did not contain the correct revenue source code information for fees amounting to \$61,270.

The Statewide Accounting Management System (SAMS) Manual (Procedure 33.16.20) states the Fee Imposition Reporting system is used for reporting of accurate fee information, based on annual fee data collected and deposited during the year, including the SAMS receipt account for each receipt account receiving fee revenues. The SAMS Manual also details the receipt accounts assigned to each agency to record receipts.

Board officials indicated the Agency Workforce Report preparer misunderstood the use of the term “minorities” for reporting purposes, the issue on Form TA-2 was due to employee oversight, and for Agency Fee Imposition Report, the Board attempted to correct the receipt source code within the Comptroller’s system at the time of Fiscal Year 2024 reporting, but was unsuccessful.

Failure to provide complete and accurate Agency Workforce Reports prevents fulfillment of the purpose of the State Employment Records Act, which is to provide information to help guide efforts to achieve a more diversified State work force. Failure to ensure the accuracy and submit statutorily required reports in a timely manner reduces accountability and prevents the appropriate oversight authorities from receiving accurate and useful information which could impact future decisions. (Finding Code No. 2025-006, 2023-004)

RECOMMENDATION

We recommend the Board strengthen its controls to ensure required reports are properly supported, accurate and timely completed.

BOARD RESPONSE

The Board concurs with the finding. The Board implemented procedures to ensure consistent interpretation of reporting requirements to promote the accuracy, completeness, and timely submission of required reports.

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2025-007. **FINDING** (Inadequate Controls over Contractual and Interagency Agreements)

The Illinois Community College Board (Board) did not maintain adequate controls over its contractual and interagency agreements.

During our testing, we noted the following:

- Two of four (50%) contractual agreements tested, totaling \$480,000, lacked the required standard certifications. The first contractual agreement was missing the required disclosure on its Control Obligation Document (C-23) related to professional contracts for legal services. The other contractual agreement did not include certifications for bribery, debt delinquency, drug free workplace, Environment Protection Act, felons, prohibited bidders and contractors, Illinois Use Tax, International Anti-Boycott, State Board of Elections, contractor's/lessor's federal Taxpayer Identification Number and legal status disclosure, Child Labor Act, Forced Labor Act, and domestic products.
- The Department of Innovation and Technology (DoIT) provided information technology related services to the Board during the examination period. However, there was no interagency agreement between DoIT and the Board from July 1, 2022 to May 15, 2025. The current agreement with DoIT is effective May 16, 2025.

The Statewide Accounting Management System (SAMS) Manual (Procedure 15.20.30) requires all contracts for legal services filed with the Comptroller not subject to the State Indemnification Act must contain the following statement or words of similar import in the description block for the C-23: “This contract is not subject to the State Indemnification Act.”

The SAMS Manual (Procedure 15.20.50) provides the certifications required of contracts for pre-arranged services (other than professional or artistic), equipment leases, maintenance agreements, and other purchases of services which exceed \$20,000.

The Intergovernmental Cooperation Act (5 ILCS 220/5) states 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 any of the 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 responsibilities of the contracting parties.

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Board officials indicated they were not aware of the missing required contractual agreement disclosures and certifications. For the missing interagency agreement with DoIT, the Board indicated efforts were made to expedite the agreement but finalization ultimately depended on DoIT’s internal processes.

Lack of required disclosures and certifications within contracts may increase legal and financial risks to the Board. Failure to develop an adequate formal, written agreement between the Board and DoIT may lead to noncompliance with State laws, rules, and regulations. (Finding Code No. 2025-007, 2023-007)

RECOMMENDATION

We recommend the Board implement internal controls to ensure contractual agreements contain the standard disclosures as required by SAMS. We further recommend the Board ensure interagency agreements are in place for the entire service period and approved prior to the effective date of the agreement and prior to services being rendered.

BOARD RESPONSE

The Board concurs with the finding. The Board has strengthened internal controls by implementing procedures to ensure contractual agreements contain all required SAMS certifications and disclosures. Monitoring and tracking procedures for contractual and interagency agreements were formalized, and staff training was expanded to reinforce statutory and administrative requirements.

Additionally, the Board incorporated agreement monitoring into its IT project management for interagency service agreements, including those with DoIT. The current DoIT agreement is in effect through June 30, 2027, and oversight procedures have been enhanced to ensure future agreements are fully executed prior to continuation of services.

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2025-008. **FINDING** (Failure to Enforce Reporting Requirements)

The Illinois Community College Board (Board) failed to enforce compliance with its rules and regulations over the timely submission of required informational reports and schedules.

Informational reports and schedules are required to be prepared by the community colleges and college districts and submitted to the Board to provide data necessary to determine funding and to provide assurance funds are being properly utilized. For example, some information gathered from these informational reports and schedules include spring and fall semester enrollment, employment plan surveys, faculty and staff salary data, annual financial statements, and notice of publication. These reports are due at various times throughout the year.

During our testing, we noted 37 of 504 (7%) informational reports tested due in Fiscal Year 2024 (23 reports) and Fiscal Year 2025 (14 reports) were submitted to the Board between one and 276 days late.

The Illinois Administrative Code (23 Ill. Admin. Code 1501.201, 23 Ill. Admin. Code 1501.308, 23 Ill. Admin. Code 1501.406, 23 Ill. Admin. Code 1501.510, and 23 Ill. Admin. Code 1501.607) requires complete and accurate reports to be submitted by the community colleges and college districts to the Board in accordance with the Board's requirements and on forms prescribed by the Board.

Board officials indicated they send reminders of due dates for reporting, but late submissions still occurred due to various delays with the colleges.

Failure to receive the informational reports promptly could delay the Board's completion of its own internal summary reports and preparation of system operating grant formula allocations. (Finding Code No. 2025-008, 2023-008)

RECOMMENDATION

We recommend the Board continue to work with each community college and community college district to ensure required reports are submitted timely.

BOARD RESPONSE

The Board concurs with the finding. The Board strengthened monitoring and follow-up procedures to ensure required reports are submitted timely. The Board will continue to work collaboratively with community colleges and districts to improve compliance and reporting timeliness.

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2025-009. **FINDING** (Inadequate Controls over Personal Services)

The Illinois Community College Board (Board) did not maintain adequate controls over its personal services function.

During our testing, we noted the following:

- Four performance evaluations were not completed timely for three of eight (38%) employees tested, ranging from 19 to 47 days late.

Section 2.9 (Employee Performance Evaluations) of the Board’s Employee Guidebook requires supervisors to be responsible for employee performance reviews. Completed and signed written evaluations need to be submitted to Human Resources. The annual performance evaluations are due on or before August 1 and probationary and periodic performance evaluations are due 30 days after the scheduled date.

- In our review of the calendar year 2023 training reports for 61 employees, two (3%) employees did not complete the security awareness training and one (2%) employee did not complete the harassment and discrimination prevention training.

The Identity Protection Act (5 ILCS 179/37) requires all employees of the Board identified as having access to social security numbers while performing their duties to be trained to protect the confidentiality of social security numbers. Training should include instructions on proper handling of information that contains social security numbers from the time of collection through the destruction of the information.

The Data Security on State Computers Act (20 ILCS 450/25(b)) requires every employee to annually undergo training by the Department of Innovation and Technology (DoIT) concerning cybersecurity. The training shall include, but need not be limited to, detecting phishing scams, preventing spyware infections and identity theft, and preventing and responding to data breaches.

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

Section 2.13 (Training) of the Board’s Employee Guidebook requires new employees and contractual employees to undergo mandatory training within the first 30 days of their employment. Annual training is also mandatory and must

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be completed at the end of each fiscal year. All agency employees are required to complete cybersecurity training within the first 30 days of employment and on an annual basis.

- The Fiscal Year 2023 census data reconciliation was submitted by the Board 115 days late.

The State Universities Retirement System (SURS) Census Data Procedures, in accordance with the *AICPA's Audit and Accounting Guide: State and Local Governments*, requested employee census data, including pensionable earnings and the member's contribution rate, be reconciled annually by each employer to a report provided by SURS and used by SURS' and Central Management Services (CMS)' actuaries. This reconciliation process helps mitigate the risk of using incomplete or inaccurate data and ensures the accuracy of reported pension and other post-employment benefit (OPEB) balances. Further, this reconciliation process ensures the completeness of employer and plan data, reduces payroll errors, confirms personnel files are up-to-date, and most importantly decreases the risks of financial misstatements. Based on the Fiscal Year 2023 SURS Census Data Procedures, the Board was requested to reconcile their Fiscal Year 2023 census data, certify to SURS that the reconciliation and member eligibility review was completed, and report any potential data errors found by May 31, 2024.

Board officials indicated the issues noted overall were due to employee oversight and competing priorities. Additionally, for the issue on employee training, one employee had login errors and the delay in the census data reconciliation occurred during the transition to a Human Resources Director, who was still within the first year of tenure.

Employee performance evaluations are a systematic and uniform approach for the development of employees and communication of performance expectations to employees. Employee performance evaluations serve as a foundation and documentation for salary adjustments, promotions, demotions, discharges, layoffs, recall, or reinstatement decisions. Without timely completion of an employee performance evaluation, the employee would not be provided with formal feedback or assessment of his or her performance, areas for improvement and current year's performance goals and objectives may not be identified and communicated in a timely manner.

Harassment and discrimination prevention training are necessary to inform employees of State policies and their obligations regarding discrimination prevention. Cybersecurity awareness training provides information on proper handling of confidential data and appropriate responses to data breaches. Failure to complete and maintain supporting documentation of completion of these trainings represents noncompliance with State laws and regulations.

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Finally, untimely submission of census data certification hinders the process to ensure census data is accurate to reduce payroll errors and risks of financial misstatements. (Finding Code No. 2025-009, 2023-005)

RECOMMENDATION

We recommend the Board strengthen its procedures and internal controls to ensure:

- Monitoring and enforcing timely completion of performance evaluations;
- Required employee trainings are completed timely; and
- Timely and complete reconciliation of census data with Board records.

BOARD RESPONSE

The Board concurs with the finding. The Board implemented formal tracking and supervisory review procedures to ensure timely completion of performance evaluations and required trainings. In addition, the Board established routine reconciliation of census data to personnel records and ongoing monitoring to ensure compliance with State and agency requirements.

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2025-010. **FINDING** (Weaknesses in Cybersecurity Programs and Practices)

The Illinois Community College Board (Board) had not implemented adequate internal controls related to cybersecurity programs and practices.

As a result of the Board’s mission to administer the State of Illinois’ Public Community College Act, the Board maintains computer systems that contain volumes of confidential or personal information such as names, addresses, and Social Security numbers of the citizens of the State.

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 Board’s cybersecurity program, practices, and control of confidential information, we noted the Board:

- Had not performed a comprehensive risk assessment to identify and ensure adequate protection of information (i.e., confidential or personal information) most susceptible to attack.
- Had not created a comprehensive inventory of data identifying key types of information handled by the Board and relevant controls and information in place.
- Did not have comprehensive policies and procedures on the following areas:
(a) Access Control – Periodic User Access Review, (b) Configuration Management, (c) Project Development and Change Management, and
(d) Data Maintenance and Destruction.

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 and maintain accountability over the State’s resources.

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.

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Board officials indicated they focused on implementing cybersecurity controls and enhancing technical safeguards while concurrently updating its Risk Management Framework documentation. Board officials added due to competing priorities, available documentation did not fully reflect the scope of existing cybersecurity practices at the time of the examination.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the Board’s volumes of personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2025-010, 2023-009)

RECOMMENDATION

The Board has the ultimate responsibility for ensuring confidential information is protected from accidental or unauthorized disclosure. Specifically, we recommend the Board:

- Perform a comprehensive risk assessment to identify and classify data to ensure adequate protection of confidential or personal information most susceptible to attack, evaluate identified risks, and implement appropriate controls to reduce the risk.
- Classify its data to identify and ensure adequate protection of information.
- Create and implement formal policies and procedures on: (a) Access Control - Periodic User Access Review, (b) Configuration Management, (c) Project Development and Change Management, and (d) Data Maintenance and Destruction.

BOARD RESPONSE

The Board concurs with the finding. The Board remains committed to strengthening its cybersecurity governance framework and ensuring alignment with State requirements and national standards. The Board initiated enterprise-level documentation and governance processes, including conducting a comprehensive cybersecurity risk assessment consistent with the NIST Framework, developing a Data Classification Policy supported by a centralized data inventory, and enhancing policies related to user access reviews, configuration management, project and change management, and data maintenance and destruction.

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2025-011. **FINDING** (Inadequate Controls over Contingency Planning)

The Board had not established adequate policies and procedures around its Contingency Planning process.

During the examination, we noted the Board developed a Disaster Recovery (DR) Plan. However, we noted the Board had not:

- Performed a testing of its disaster recovery plan during the examination period; and
- Performed a formal Business Impact Analysis (BIA).

The State Records Act (5 ILCS 160/9) requires the Board to establish and maintain effective controls over the creation, maintenance, and use of records in the conduct of current business and to ensure that Board electronic records are retained in a trustworthy manner so that the records, and the information contained in the records, are accessible and usable for reference for the duration of the retention period.

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 and maintain accountability over the State's resources.

In addition, 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), Contingency Planning section, requires entities to conduct backups of their environment, applications, and data. Furthermore, entities are to test the backups to ensure they were successful.

Board officials indicated during the covered period, the BIA had been in progress and the finalized report was not issued until July 2025. Due to this, the Disaster Recovery Plan review and corresponding full disaster recovery test were deferred to ensure recovery strategies and testing scenarios aligned with validated business impact and recovery objectives.

Failure to have an adequately documented and tested contingency plan may hinder the Board from ensuring its critical systems could be recovered within an acceptable period, and therefore minimizing the impact associated with a disaster. (Finding Code No. 2025-011, 2023-011)

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RECOMMENDATION

We recommend the Board finalize its business impact analysis, update the disaster recovery plan, and periodically test the disaster recovery plan.

BOARD RESPONSE

The Board concurs with the finding. The Board completed a Business Impact Analysis, updated its Disaster Recovery Plan to reflect validated recovery objectives, and implemented enhanced controls to ensure timely and comprehensive contingency planning. While the Board has previously tested specific servers, it is now scheduling a full Disaster Recovery Plan test and will conduct periodic testing to ensure critical systems can be recovered within acceptable timeframes.

In addition, the Board is advancing its disaster recovery capabilities by pursuing enhanced failover infrastructure solution and implementing tools to simulate and evaluate disaster recovery scenarios.

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2025-012. **FINDING** (Inadequate Controls over User Access Rights)

The Illinois Community College Board (Board) had not implemented adequate internal controls over user access rights to its systems.

The Board utilizes various systems for course/curriculum submission and reporting. During the current examination, the Board did not ensure adequate security over its application systems. Specifically, the Board:

- Had not timely removed the access for two of 22 (9%) user accounts assigned to individuals separated from the Board.
- Had not performed and documented periodic user access rights across application systems utilized.

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 and System and Communication Protection sections, require entities to implement adequate internal controls over access to their environments, applications and data, establish access control policies and procedures documenting access control requirements and sanctions ensuring periodic access reviews.

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

Board officials indicated the issues noted were due to oversight and resulted from a misunderstanding of the full system access-deactivation process for separated employees. Board officials added they were not aware of an additional application-level step required to fully lock and disable access.

The lack of adequate controls over access could result in unauthorized access and disclosure of confidential information. (Finding Code No. 2025-012)

RECOMMENDATION

The Board has responsibility to ensure computer security by strengthening access controls. Specifically, we recommend the Board:

- Timely remove access rights of terminated users.
- Perform periodic user access reviews across applications.

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BOARD RESPONSE

The Board concurs with the finding. The Board has strengthened its internal controls to ensure timely removal of user access and completion of periodic access reviews across its application systems. Responsibility for user access management is shared between fiscal staff, who oversee permissions within fiscal applications, and IT staff, who support account deactivation through the Department of Innovation and Technology (DoIT) offboarding processes. The Board has clarified these roles and implemented coordinated procedures to ensure access is removed promptly for separated employees and that periodic access reviews are consistently documented.

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2025-013. **FINDING** (Board Member Vacancies)

The Illinois Community College Board (Board) was not fully seated and had two members serving on expired terms during the examination period.

During testing, we noted the following:

- The Board was not fully seated during Fiscal Years 2024 and 2025. Of the statutorily required 12 seats, we noted only 11 were filled as of June 30 of both fiscal years. In Fiscal Year 2024, a Board member seat was vacant for 147 days before it was filled in Fiscal Year 2025. In Fiscal Year 2025, the student Board member seat was vacant for 211 days before it was filled in Fiscal Year 2026.
- Two of 12 (17%) Board members appointed by the Governor were serving under expired terms during Fiscal Year 2024. The current terms for these individuals expired June 30, 2021. One Board Member resigned on September 11, 2023, while the other was removed by the Governor’s office on June 21, 2024.

The Public Community College Act (Act) (110 ILCS 805/2-1) states the Board shall consist of 12 members, including a nonvoting student member selected by the recognized advisory committee of students of the Board, and 11 members, one of whom shall be a senior citizen age 60 or over, to be appointed by the Governor and with the advice and consent of the Senate. Further, the Act states after the expiration of the terms of the office of the members first appointed to the Board, their respective successors shall hold office for a term of 6 years and until their successors are qualified and seated.

Board officials indicated they worked with the Governor’s office to ensure the appointing authority is consistently informed of vacancies and expiring terms, but delays in appointments and confirmation process can occur, which are outside of the Board’s control.

Although Board members are expected to continue to serve past their terms until new appointments are made, failure to timely appoint Board members may affect the full and transparent exercise of the Board’s appointed powers and responsibilities. (Finding Code No. 2025-013, 2023-012).

RECOMMENDATION

We recommend the Board continue to coordinate with the Office of the Governor to ensure all Board member vacancies are filled in a timely manner.

**STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025**

BOARD RESPONSE

While the Board agrees with the finding, the Board respectfully maintains that this finding is improperly directed to the agency because responsibility for appointing Board members rests exclusively with the Governor pursuant to the Public Community College Act. The Board does not possess statutory authority to appoint members, fill vacancies, or control the timing of Senate confirmation. Accordingly, the Board cannot independently implement corrective action to prevent recurrence of this condition.

The Act expressly provides that, following expiration of a member's term, the member shall continue to serve until his or her successor is qualified and seated. During the examination period, all members serving beyond their stated term expiration dates were authorized under this statutory holdover provision. As such, the Board remained legally constituted, quorum requirements were met, and all actions taken during this period were valid and within statutory authority.

While the Board does not control appointments, management recognizes the importance of maintaining a fully seated Board. The Board will continue to provide advance notice of expiring terms, promptly communicate vacancies to the Governor's Office, and cooperate with the recognized advisory committee of students regarding the nonvoting student member position. However, ultimate resolution of this matter remains dependent upon action by the appointing and confirming authorities.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2025

A. **FINDING** (Noncompliance with Student Parent Data Collection Act)

During the prior examination, the Illinois Community College Board (Board) did not comply with the collection timeline requirements of the Student Parent Data Collection Act. Specifically, the Board requested colleges to report required student parent and campus child care data by July 30th, a month later than the mandated due date.

During the current examination, the Board sought legislative change for the reporting requirements and our sample testing showed the colleges submitted the required reports timely. (Finding Code No. 2023-006)

B. **FINDING** (Inadequate Controls over External Service Providers)

During the prior examination, the Illinois Community College Board (Board) did not have adequate controls around its external service providers.

During the current examination, our testing indicated the Board obtained System and Organization Controls (SOC) reports or conducted independent internal control reviews of its service providers. (Finding Code No. 2023-010)