



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
University Benefits Schedules

Compliance Examination
 For the Year Ended June 30, 2020

Release Date: November 24, 2020

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS																												
	Repeated Since	Category 1	Category 2	Category 3																									
<table border="0"> <tr> <td></td> <td style="text-align: center;">New</td> <td style="text-align: center;">Repeat</td> <td style="text-align: center;">Total</td> <td></td> </tr> <tr> <td>Category 1:</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td></td> </tr> <tr> <td>Category 2:</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> <td></td> </tr> <tr> <td>Category 3:</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td></td> </tr> <tr> <td>TOTAL</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> <td></td> </tr> </table>		New	Repeat	Total		Category 1:	0	0	0		Category 2:	1	0	1		Category 3:	0	0	0		TOTAL	1	0	1		No Repeat Findings			
	New	Repeat	Total																										
Category 1:	0	0	0																										
Category 2:	1	0	1																										
Category 3:	0	0	0																										
TOTAL	1	0	1																										
FINDINGS LAST AUDIT: 0																													

INTRODUCTION

The Department of Central Management Services pays for the group insurance costs for certain university employees on behalf of all State-operated universities in Illinois. At the end of each fiscal year, the Department prepares the University Benefits Schedules that summarize exempt and non-exempt employees and exempt and non-exempt funding. These amounts are utilized in the universities' fiscal year financial reporting. The State Comptroller also uses these amounts to determine the amount of on-behalf revenue to allocate to the universities.

SYNOPSIS

- (20-01) The Department used inaccurate data during the calculation of the University Benefit Analysis.

Category 1:	Findings that are material weaknesses in internal control and/or a qualification on compliance with State laws and regulations (material noncompliance).
Category 2:	Findings that are significant deficiencies in internal control and noncompliance with State laws and regulations.
Category 3:	Findings that have no internal control issues but are in noncompliance with State laws and regulations.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INACCURATE DATA USED FOR THE
CALCULATION OF THE UNIVERSITY BENEFITS
ANALYSIS**

During our examination of the University Benefits Analysis (UBA) for the year ended June 30, 2020, we noted errors in the data used by the Department of Central Management Services (Department), resulting in misstatements of the estimated cost of health insurance benefits paid on-behalf of the University of Illinois (U of I).

**\$786,030 in payments were entered
in error under the U of I**

During our testing of non-exempt contributions, we noted \$786,030 in payments were entered into the Benefits Reimbursement System under the U of I for U of I Cooperative Extension Services (CES) retirees in error. The payments made by the U of I were for the CES retirees' portion of post-employment health insurance benefits, not the State's portion of those benefits. As such, these payments did not contribute to the State's total estimated net cost of operating the State Employees Group Insurance Program (SEGIP) represented by the \$19,193 average cost per employee. The UBA should only include payments for active employees which contribute to the total estimated net costs of SEGIP. This resulted in a \$786,030 overstatement of non-exempt contributions and an understatement in benefit payments paid on-behalf of the U of I.

Error determined not to be material

This error was determined not to be material to the UBA; therefore, the Department did not adjust the UBA. (Finding 1, pages 7-8).

We recommended the Department ensure the preparation of the University Benefits Analysis is based on accurate and reliable data.

Department agrees with auditors

The Department agreed with the finding and stated they have already started working with the Department of Innovation and Technology to make changes to the system that will ensure details for the different University of Illinois accounts are accurately reported and included in the UBA.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of management's assertions regarding the University Benefits Schedules for the year ended June 30, 2020. The accountants stated the Department complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by Sikich LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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