



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**DEPARTMENT OF MILITARY AFFAIRS**

State Compliance Examination  
For the Two Years Ended June 30, 2024

Release Date: July 15, 2025

FINDINGS THIS AUDIT: 16				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	3	5	8	2022		24-11, 24-14, 24-15, 24-16	
Category 2:	1	7	8	2020		24-10	
Category 3:	0	0	0	2018	24-1, 24-4		
TOTAL	4	12	16	2016		24-9	
				2014		24-12	
				2012	24-6, 24-7		
FINDINGS LAST AUDIT: 18				2004	24-3		

**SYNOPSIS**

- (24-6) The Department of Military Affairs (Department) did not exercise adequate internal control over its commodities inventories.
- (24-7) The Department failed to fully comply with the Fiscal Control and Internal Auditing Act and International Standards for the Professional Practice of Internal Auditing.
- (24-10) The Department did not follow State Laws and regulations regarding the operation of its automobiles.

**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**

### **INADEQUATE INTERNAL CONTROL OVER COMMODITIES**

The Department of Military Affairs (Department) did not exercise adequate internal control over its commodities inventories.

The Department used a web-based database for tracking commodities inventory. The database allowed Readiness Centers' (armories) Managers throughout the State to email orders to the Storekeeper and the Department to maintain an items-on-hand count.

**Commodities inventory were not reconciled**

During our testing, we noted the Department performed an inventory count in Fiscal Year 2024 but did not prepare reconciliation to identify differences with its system records. On July 30, 2024, the Department performed another inventory count and noted differences on six (6%) of 96 commodities amounting to \$1,672.

Due to this condition, we were unable to conclude whether the Department's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36) to test the Department's year end commodities inventories balances. (Finding 6, pages 28-29) **This finding has been reported since 2012.**

We recommended the Department implement procedures to maintain accurate records of its commodities inventory and reconcile its inventory records as required.

**Department officials agreed**

The Department accepted our recommendation.

### **NONCOMPLIANCE WITH FISCAL CONTROL AND INTERNAL AUDITING ACT AND INTERNATIONAL STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING**

The Department failed to fully comply with the Fiscal Control and Internal Auditing Act (Act) and International Standards for the Professional Practice of Internal Auditing (internal auditing standards).

A few of the issues we noted during our review of the Department's internal audit activities for Fiscal Years 2023 and 2024 follow:

**No two-year audit plan for Fiscal  
Year 2024**

- The Department did not have a two-year audit plan for the fiscal year ended June 30, 2024.

**No internal audit reports completed during Fiscal Years 2023 and 2024**

- Audits of the Department's major system of internal accounting and administrative controls were not completed during fiscal years 2023 and 2024, thus there were no internal audit reports completed and issued during the two fiscal years ended June 30, 2024.

**No written report of audit plan**

- The Chief Internal Auditor did not submit a written report to the Adjutant General for FY 2023. For FY 2024, while a written report was submitted, there is no proof of submission, and the report did not document how the audit plan was carried out, the significant findings, or the extent to which recommended changes were implemented. (Finding 7, pages 30-32) **This finding has been reported since 2012.**

We recommended the Department implement controls and develop policies and procedures to ensure compliance with the Act and internal auditing standards.

**Department officials agreed**

The Department accepted our recommendation.

**NONCOMPLIANCE WITH VEHICLE REQUIREMENTS**

The Department did not follow State laws and regulations regarding the operation of its automobiles.

**Department did not follow State laws and regulations**

During testing of vehicle maintenance records for eight vehicles, we noted two (25%) vehicles did not receive adequate tire rotations during the fiscal years tested. In addition, four (50%) vehicles did not receive a timely oil change. (Finding 10, page 37) **This finding has been reported since 2020.**

We recommended the Department strengthen its internal controls to ensure compliance with State law and regulations applicable to the operation of its automobiles.

**Department officials agreed**

The Department accepted our recommendation.

**OTHER FINDINGS**

The remaining findings are reportedly being given attention by the Department. We will review the Department's progress towards the implementation of our recommendations in our next State compliance examination.

## **ACCOUNTANT'S OPINION**

The accountants conducted a State compliance examination of the Department of Military Affairs for the two years ended June 30, 2024, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2024-001 through 2024-008. Except for the noncompliance described in these findings, the accountants stated the Department complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Roth & Co., LLP.

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COURTNEY DZIERWA  
Division Director

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

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FRANK J. MAUTINO  
Auditor General

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