



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**GOVERNOR’S OFFICE OF MANAGEMENT AND BUDGET**

State Compliance Examination  
 For the Two Years Ended June 30, 2025

Release Date: February 24, 2026

FINDINGS THIS AUDIT: 4	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2023		25-01	
Category 2:	3	1	4				
Category 3:	0	0	0				
<b>TOTAL</b>	<b>3</b>	<b>1</b>	<b>4</b>				
FINDINGS LAST AUDIT: 2							

**SYNOPSIS**

- (25-01) The Governor’s Office of Management and Budget (Office) did not fully comply with the provisions of the Cash Management Improvement Act (31 U.S.C. § 6501 and 31 U.S.C § 6503) (CMIA) regarding required reports and threshold computation.
- (25-04) The Office had weaknesses in their internal controls related to change management.

**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**

**NONCOMPLIANCE WITH THE PROVISIONS OF THE  
CASH MANAGEMENT IMPROVEMENT ACT**

The Governor’s Office of Management and Budget (Office) did not fully comply with the provisions of the Cash Management Improvement Act (31 U.S.C. § 6501 and 31 U.S.C § 6503) (CMIA) regarding required reports and threshold computation.

The CMIA is a federal law that governs the flow of federal funds between the federal and state governments.

During our detailed testing of the Office’s compliance with the CMIA requirements, we noted the following exceptions in the Fiscal Year 2023 CMIA Report (Report):

**Incorrect major program threshold calculation**

- The Office failed to consider two grants specified in the Fiscal Year 2023 CMIA Agreement between the State of Illinois and United States Department of the Treasury (Treasury-State Agreement) to be excluded in the major program threshold calculations. In addition, the Office used an incorrect amount for another federal grant in the threshold calculation. These errors resulted in an overstatement of the major program threshold by \$1,107,402 for Fiscal Year 2023.

**Federal grant omitted from CMIA report**

- One federal grant with total expenditures of \$180,438,000 in the Fiscal Year 2021 Statewide Single Audit Report was not included in the Fiscal Year 2023 CMIA Report.

**Federal grant improperly included in CMIA report**

- One federal grant with total expenditures of \$61,315,000 per the Fiscal Year 2021 Statewide Single Audit Report did not exceed the reporting threshold but was included in the Fiscal Year 2023 CMIA Report. (Finding 1, pages 9-10)

We recommended the Office ensure proper review of the required CMIA reports and related threshold calculations to ensure compliance with the provisions of the Federal Code of Regulations and CMIA.

**Office accepted the recommendation**

The Office accepted the recommendation and acknowledged the errors identified. The Office noted they have strengthened their internal controls over CMIA reporting through the addition of staff to the CMIA reporting team and an enhancement to their review procedures prior to report submission.

## **WEAKNESSES IN CHANGE MANAGEMENT CONTROLS**

The Office had weaknesses in their internal controls related to change management.

### **Failure to document complete population**

The Office utilizes various computer systems and applications in its operations to carry out its mission. As part of our examination, we requested the Office provide a population of all changes developed and implemented during the examination period; however, we noted the Office did not have a central repository of changes developed and implemented to clearly document the completeness and accuracy of the population.

### **No supporting documentation for one of three (33%) changes tested**

Due to this condition, we were unable to conclude the Office's population was sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36). Despite this limitation, we performed testing over the changes identified by the Office and noted there was no supporting documentation to substantiate the change was approved and implemented correctly for one of three (33%) changes tested.

### **Inadequate change management policies and procedures**

During our review of the Office's change management policies and procedures, we noted the policies and procedures were minimal and lacked sufficient details covering the basic controls over the change management process, such as:

- Process for requesting changes,
- Approval process for requested changes,
- Testing requirements,
- Documentation requirements at each stage,
- User acceptance requirements,
- Post implementation review requirements, and
- Monitoring of change requests from initiation to close.

### **Inadequate segregation of duties**

We also noted developers had access to the production environment, resulting in a segregation of duties weakness. (Finding 4, pages 15-17)

We recommended the Office develop and issue formal change management procedures to control all changes made to computer systems and applications. The procedures should include at a minimum:

- Process for requesting a change,
- Approval process of the requested change,
- Testing requirements,
- Documentation requirements at each stage,
- User acceptance requirements,
- Post implementation review requirements, and
- Monitoring of change requests from initiation to close.

In addition, we recommended the Office ensure proper segregation of duties over changes or establish, adequately document, and enforce compensating controls to ensure appropriate management oversight and approval of changes.

**Office accepted the recommendation**

The Office acknowledged the observations noted in the finding and accepted the recommendation. The Office noted they are working to formalize their change management documentation, including approval, testing, and review requirements. They are also evaluating change management segregation of duties and compensating controls appropriate to the Office's operations.

**OTHER FINDINGS**

The remaining findings pertain to inadequate controls over reporting and noncompliance with the Grant Accountability and Transparency Act. We will review the Office'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 Office for the two years ended June 30, 2025, as required by the Illinois State Auditing Act. The accountants stated the Office complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Adelfia LLC.

**SIGNED ORIGINAL ON FILE**

COURTNEY DZIERWA  
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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