STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL

Christopher B. Meister, Auditor General

SUMMARY REPORT DIGEST

OFFICE OF THE TREASURER
NONFISCAL OFFICER RESPONSIBILITIES

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

Release Date: June 30, 2026

FINDINGS THIS AUDIT: 4

	New	Repeat	Total
Category 1:	**0**	**0**	**0**
Category 2:	**0**	**4**	**4**
Category 3:	**0**	**0**	**0**
TOTAL	**0**	**4**	**4**

FINDINGS LAST AUDIT: 5

AGING SCHEDULE OF REPEATED FINDINGS			
Repeated Since	**Category 1**	**Category 2**	**Category 3**
2023		**1, 4**	
2021		**2**	
2017		**3**	

SYNOPSIS

- **(25-02)** The Office of the Treasurer (Office) did not exercise adequate control over property reporting of the Office's equipment and building assets, resulting in inaccurate property reporting.
- **(25-03)** The Office of the Treasurer (Office) did not complete timely monthly reconciliations.

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.

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FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

LACK OF CONTROLS OVER STATE PROPERTY REPORTING

The Office of the Treasurer (Office) did not exercise adequate control over property reporting of the Office's equipment and building assets, resulting in inaccurate property reporting.

Office noted reconciling items but did not correct them during the examination period

During the testing of accuracy of the Agency Report of State Property (C-15) to the Office's supporting records, the following items were noted by the Office as reconciling items but not corrected during the examination period:

- Various items totaling $311,268 with individual asset values under $2,500 were reported on the C-15 but no longer in Office property control records;
- FY24 surplus equipment totaling $59,268 were reported on the C-15 during FY24 and FY25; however, they do not appear to be included in Office property control records;
- 41 assets totaling $428,241 were incorrectly reported on the FY25 Q4 C-15 in the amount of $358,496, understating the assets by $69,745;
- One vehicle purchased in FY24 was overstated by $5,000 in the property control records;
- One information technology asset purchased in FY24 was understated by $3,000 in the property control records;
- Various assets totaling $20,402 were appropriately removed from the C-15 during the examination period; however, they still remain on Office's property control records

Due to these conditions, we were unable to conclude whether the Office'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 Office's equipment.

Even given the population limitations noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, we performed testing and noted the following:

Two additions tested, totaling $39,476, were not added to the property records timely.

- During testing of assets added throughout the examination period, the following items were noted:
  - One of 25 (4%) additions tested was understated by $5. The purchase was for a total of ten laptops, understating the FY25 C-15 by $50 total.
  - The Office did not timely record two of 25 (8%) additions tested, totaling $39,476, in its property control records.

- For one of two (50%) deletions tested, totaling $12,935, the Office did not include the purchase date and voucher number on the State Property Management Vehicle Acquisition and Change Report for the transfer of a vehicle to Central Management Services (CMS).

Assets and depreciation reported on the SCO-538 did not agree to underlying property records

- Assets and depreciation reported on the Capital Asset Summary (SCO-538) for the building and equipment asset classes did not agree to underlying manual property control records or Office property control records in the Enterprise Resource Planning (ERP) System. (Finding 2, pages 10-11) **This finding has been reported since 2021.**

We recommend the Office implement adequate controls of reporting property on the Statewide ERP system, including timely recording, accurate depreciation and appropriate reporting on the SCO-538.

Office accepted the recommendation

The Office accepted the recommendation and stated it is organizing internally with responsible parties to implement these processes to ensure accurate and appropriate reporting.

LACK OF CONTROLS OVER MONTHLY RECONCILIATIONS

The Office of the Treasurer (Office) did not complete timely monthly reconciliations.

For Fiscal Year 2024 and 2025 reconciliations, we noted:

- Two of eight (25%) locally held funds tested were not reconciled on a monthly basis between Office records and external bank/investment accounts. Rather, the Office performed quarterly reconciliations for the funds.
- Three of 32 (9%) monthly locally held funds reconciliations tested were not performed within 60 days of month end.
- Three of five (60%) Monthly Appropriation Status Report (SB01) reconciliations tested were not signed or dated by a preparer and reviewer. We were unable to determine timeliness of the reconciliations nor validate proper segregation of duties. (Finding 3, page 12) **This finding has been reported since 2017.**

Three of five (60%) SB01 reconciliations tested were not signed or dated by a preparer and reviewer

We recommend the Office complete monthly reconciliations in a timely manner and retain documentation supporting segregation of duties and timely completion of each reconciliation.

Office accepted the recommendation

The Office accepted the recommendation and stated it is in the process of obtaining proper documentation to implement monthly reconciliations for all locally held funds, and appropriate documentation to show timely SB01 reconciliations.

OTHER FINDINGS

The remaining findings pertain to lack of controls over external service providers and inadequate controls over census data. 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 Crowe LLP.

SIGNED ORIGINAL ON FILE

COURTNEY DZIERWA
Deputy Auditor General

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

SIGNED ORIGINAL ON FILE

CHRISTOPHER B. MEISTER
Auditor General

CBM:sjs