



OFFICE OF THE AUDITOR GENERAL

May 19, 2026 Performance Audit

Follow-Up Report

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Management Audit of the Department of Central Management Services' Administration of the State's Space Utilization Program Audit Follow-Up

In October 2013, the Office of the Auditor General released a management audit of the Department of Central Management Services' (Department or CMS) administration of the State's Space Utilization Program. The audit contained nine recommendations to improve the efficiency and effectiveness of recording real property in a master inventory database. As part of our Fiscal Years 2022 and 2023 financial audit and compliance examination of the Department, we followed up on the status of the two recommendations that had not been fully implemented. We determined that both were still partially implemented. As a part of our Fiscal Years 2024 and 2025 compliance examination of the Department, we followed up on the status of the two remaining recommendations. We determined that both recommendations were fully implemented. The current status of the recommendations is shown in the table below. All nine recommendations have now been implemented.

STATUS OF MANAGEMENT AUDIT RECOMMENDATIONS

As of June 30, 2025

Table with 6 columns: Rec. No., Recommendation Description, Agency, and Current Status (Implemented, Partially Implemented, Not Implemented). It lists 9 recommendations, all of which are marked as 'Implemented'.

Source: Summary of OAG follow-up.

Recommendation 8: Disposal of Surplus Property

The Department of Central Management Services should take steps to ensure that it is more timely in completing the process of disposing of surplus property; follow the procedures outlined in State statute and administrative rules when disposing of surplus property including timely notification of State agencies; maintain proper documentation of the disposal process; develop strategies to dispose of surplus properties that have been in surplus for years; examine properties noted as surplus on the Annual Real Property Utilization Reports to determine if they should be disposed; and conduct a study of the disposal process to determine what changes need to be made to the process to increase efficiencies. If necessary, CMS should seek legislative changes to improve and streamline the process.

Current Status: Implemented

The Department filed legislation with the General Assembly to streamline the disposal of surplus property process. These proposed changes in legislation passed both Houses as of May 30, 2021, and became effective August 16, 2021, in Public Act 102-0280.

The Department attempted to sell the surplus real property Galesburg Lab during Fiscal Year 2025. Additionally, Public Act 103-0847 (Act) authorized the Director of the Department to execute and deliver to the Tinley Park – Park District a quitclaim deed, quitclaim bill of sale, and any ancillary documents for the Tinley Park Mental Health Center and the Howe Developmental Center. Through our review of the sale, it appears the Department maintained proper documentation. The agreement and the Act that authorizes the sale are available online.

The Department performed a Surplus Real Property Assessment Report in Fiscal Year 2025 to develop and assess strategies to dispose of or to find alternative uses for surplus properties that have been in surplus for years. Additionally, during the engagement period, the Department launched the Surplus to Success Program. The Surplus to Success Program is an initiative to transform unused or underutilized State-owned properties into economic development assets. The program allocates \$300 million to the Department for preparing select sites for redevelopment. By repurposing these surplus properties, the Surplus to Success Program seeks to drive economic development, enhance community well-being, and optimize the use of State resources.

The Department filed legislation with the General Assembly to streamline the disposal of surplus property process, which went into effect August 16, 2021, in Public Act 102-0280.

Memos were sent out on October 31, 2024, and October 31, 2025, notifying all State agencies of the declared surplus real property. Any State agency desiring to take ownership of these properties were requested to submit a written request to the Department within 30 days to have control of the surplus real property transferred to that agency.

The Department has not conducted any formal studies over the disposal process to determine what changes need to be made to increase efficiency of surplus real property disposal. However, the Department has implemented several changes to increase efficiencies in the disposal of surplus real property, such as Public Act 102-0280 reducing the required number of appraisals from three to two prior to disposal. Additionally, Public Act 102-0280 created an allowance for the Director to dispose of surplus real property for a value other than fair market value with a written determination that it is in the best interests of the State to establish a different value.

Recommendation 9: Executive Order 10-10

The Department of Central Management Services should take steps to implement the directives contained in Executive Order 10-10 related to the sale of surplus property.

Current Status: Implemented

Executive Order 10-10 states the Governor's Office of Management and Budget (GOMB) and the Department shall review all vacant or unused real estate owned by the State. Following that review, GOMB and the Department shall develop and implement a comprehensive real estate strategy that identifies opportunities to use or repurpose vacant properties more efficiently and designates State properties to be sold at fair market value.

During the current engagement, the Department completed a Surplus Real Property Assessment Report in conjunction with 30 ILCS 605/7.9, which was due to the General Assembly on February 1, 2025.

Sikich reviewed the Surplus Real Property Assessment Report and noted it contains the review of all vacant or unused real estate owned by the State and identifies opportunities to use or repurpose vacant properties as stated within the directive in Executive Order 10-10. Sikich noted this report was submitted in a timely manner.

Follow-up was conducted as part of the Fiscal Years 2024 and 2025 State compliance examination by our special assistant auditors, Sikich. This was the sixth time follow-up has been done on the recommendations from the October 2013 management audit.