



**STATE OF ILLINOIS
DEPARTMENT OF CENTRAL
MANAGEMENT SERVICES**

STATE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2025

Performed as Special Assistant Auditors
For the Auditor General, State of Illinois



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STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025

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STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
STATE COMPLIANCE EXAMINATION
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DEPARTMENT OFFICIALS

Director (3/7/2024 – Present)	Ms. Raven DeVaughn
Director (Acting) (7/1/2023 – 3/6/2024)	Ms. Raven DeVaughn
Assistant Director (5/24/2024 – Present)	Mr. Aundra Williams
Assistant Director (Acting) (7/1/2023 – 5/23/2024)	Mr. Aundra Williams
Chief of Staff (6/16/2025 – Present)	Ms. Erin O’Boyle
Chief of Staff (7/1/2023 – 6/15/2025)	Mr. Patrick Nolan
Chief Administrative Officer	Ms. Sarah Kerley
Chief Asset Management Officer* (6/30/2025 – Present)	Mr. Erik Colon
Chief Operating Officer (2/1/2025 – 6/29/2025)	Vacant
Chief Operating Officer (7/10/2023 – 1/31/2025)	Mr. William McCarty
Chief Operating Officer (Acting) (7/1/2023 – 7/9/2023)	Mr. Sean Neuert
Chief Fiscal Officer	Ms. Karen Pape
General Counsel (7/1/2025 – Present)	Ms. Dina Ninfo
General Counsel (12/1/2023 – 6/30/2025)	Ms. CoreyAnne Gulkewicz
General Counsel (Acting) (7/1/2023 – 11/30/2023)	Ms. CoreyAnne Gulkewicz
Chief Strategy Officer** (7/1/2025 – Present)	Ms. CoreyAnne Gulkewicz
Chief Internal Auditor (10/16/2023 – Present)	Mr. Butch Stilwell
Chief Internal Auditor (Acting) (7/1/2023 – 10/15/2023)	Ms. Dawn Meier

* The title “Chief Operating Officer” changed to “Chief Asset Management Officer” effective 6/30/2025

** The title “Chief Strategy Officer” is a new position effective 7/1/2025

The Department’s main offices are located at:

State of Illinois Building
555 W. Monroe Street
Chicago, Illinois 60661

William G. Stratton Building
401 S. Spring Street
Springfield, Illinois 62706



MANAGEMENT ASSERTION LETTER

April 28, 2026

Sikich CPA LLC
3051 Hollis Drive, 3rd Floor
Springfield, IL 62704

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Department of Central Management Services (Department). We are responsible for, and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Department's compliance with the following specified requirements during the two-year period ended June 30, 2024, and June 30, 2025. Based on this evaluation, we assert that during the years ended June 30, 2024, and June 30, 2025, the Department has materially complied with the specified requirements listed below.

- A. The Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. Other than what has been previously disclosed and reported in the Schedule of Findings, the Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

State of Illinois, Department of Central Management Services

SIGNED ORIGINAL ON FILE

Raven DeVaughn, Director

SIGNED ORIGINAL ON FILE

Karen Pape, Chief Fiscal Officer

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Dina Ninfo, General Counsel

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies a material weakness over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Reports</u>
Findings	16	10
Repeated Findings	7	8
Prior Recommendations Implemented or Not Repeated	3	8

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2025-001	10	2023/2019	Failure to Adhere to the Provisions of the Fiscal Control and Internal Auditing Act	Material Weakness and Material Noncompliance
2025-002	15	2023/2013	Failure to Conduct Yearly Performance Appraisals	Significant Deficiency and Noncompliance
2025-003	17	2023/2019	Internal Control Weaknesses over Personal Services	Significant Deficiency and Noncompliance
2025-004	20	New	Inaccurate Agency Workforce Reports	Significant Deficiency and Noncompliance
2025-005	22	2023/2006	Inadequate Monitoring of Interagency Agreements	Significant Deficiency and Noncompliance

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings (Continued)				
2025-006	24	New	Weaknesses in Contract Administration	Significant Deficiency and Noncompliance
2025-007	26	New	Failure to Publish Real Estate Purchase in the Procurement Bulletin	Significant Deficiency and Noncompliance
2025-008	27	New	Inadequate Controls over Voucher Processing	Significant Deficiency and Noncompliance
2025-009	29	2023/2019	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2025-010	32	New	System Access Weaknesses	Significant Deficiency and Noncompliance
2025-011	34	New	Weakness in Maintenance of System Application Records	Significant Deficiency and Noncompliance
2025-012	36	New	Failure to Properly Dispose of Data and Software from Electronic Systems	Significant Deficiency and Noncompliance
2025-013	38	2023/2021	Inadequate Procedures Regarding State Vehicles	Significant Deficiency and Noncompliance
2025-014	42	New	Weaknesses in Review of Accounts Receivable	Significant Deficiency and Noncompliance
2025-015	44	New	Weaknesses in Functions and Planning Program	Significant Deficiency and Noncompliance
2025-016	46	2023/2019	Noncompliance with Statutory Mandates	Significant Deficiency and Noncompliance

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Prior Findings Not Repeated				
A	57	2023/2019	Failure to Determine Premiums that Allow for Establishment of Actuarial Sound Reserve	
B	57	2023/2023	Untimely Execution of Contracts	
C	57	2023/2023	Weaknesses in Internal Control Over Travel	

EXIT CONFERENCE

The Department waived an exit conference in a correspondence from Karen Pape, Chief Fiscal Officer, on April 20, 2026. The responses to the recommendations were provided by Amy Lange, Audit Liaison, in a correspondence dated April 28, 2026.

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INDEPENDENT ACCOUNTANT'S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Department of Central Management Services (Department) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2025. Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Department's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the Department for the two years ended June 30, 2025. As described in the accompanying Schedule of Findings as item 2025-001, the Department had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the Department complied with the specified requirements during the two years ended June 30, 2025, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2025-002 through 2025-016.

The Department's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Department's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Department's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements and to test and report on the Department's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as item 2025-001 to be a material weakness.

A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2025-002 through 2025-016 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The Department's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Department's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Springfield, Illinois
April 28, 2026

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-001. **FINDING** (Failure to Adhere to the Provisions of the Fiscal Control and Internal Auditing Act)

The Department of Central Management Services (Department) entered into interagency agreements that failed to adhere to provisions of the Fiscal Control and Internal Auditing Act (30 ILCS 10) (Act).

The Act requires each designated State agency to maintain a full-time program of internal auditing (30 ILCS 10/2001(a)). In addition, each chief internal auditor transferred under Executive Order 2003-10 to the Department of Central Management Services shall be transferred to the auditor's designated State agency, and if an auditor does not have a designated State agency or has more than one designated State agency, then the chief executive officer of a State agency shall appoint such person as the chief internal auditor of a State agency (30 ILCS 10/2001(a-5)). The Act also states, “[a]gencies which do not have full-time internal audit programs may have internal audits performed by the Department of Central Management Services” (30 ILCS 10/2001(b)).

During the engagement period, the Department was party to interagency agreements with the following designated State agencies to provide internal audit services:

- Illinois Finance Authority (IFA)
- Illinois Department of Agriculture (IDOA)
- Illinois Department of Corrections (IDOC)
- Illinois Department of Financial and Professional Regulation (IDFPR)
- Illinois Department of Human Rights (IDHR)
- Illinois Department of Public Health (IDPH)
- Illinois Department of Veterans Affairs (IDVA)

The following issues were noted with these interagency agreements:

- The IFA and IDOA are defined as designated State agencies under 30 ILCS 10/1003(a). The IDOA is also defined as a department of State government under the Civil Administrative Code (Code) (20 ILCS 5/5-15). The Act (30 ILCS 10/2001(a)) requires each designated State agency to maintain a full-time program of internal auditing. These agencies did not have a Chief Internal Auditor during the engagement period and strictly relied on the Department to provide internal audit services. The interagency agreements ultimately resulted in these two agencies not maintaining their own full-time internal audit function. Further, these interagency agreements resulted in the Department’s Chief Internal Auditor not working full time with the Department’s own internal audit function.

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-001. **FINDING** (Failure to Adhere to the Provisions of the Fiscal Control and Internal Auditing Act) – Continued

The Act was originally a Legislative Audit Commission initiative designed to address deficiencies noted in a May 1988 management audit of Illinois' State Programs of Internal Auditing. The audit report's conclusions and recommendations and the legislation that became the Act (House Bill 2031 of the 86th General Assembly which was signed into law as P.A. 86-936) demonstrated an understanding that agencies which are not required to have their own full-time program of internal auditing could obtain internal auditing assistance from an agency such as the Department of Central Management Services. In other words, each designated State agency must have a full-time program of internal auditing and each State agency that is not so designated is not required to have a full-time program of internal auditing but may receive internal audit services from the Department.

In 2003, by Executive Order (2003-10) the Governor transferred the internal auditors from the various State agencies and consolidated them into a bureau at the Department. In 2009, the General Assembly unanimously rejected this consolidation of internal audit authority in the Department and directed that the internal auditors and their functions be returned to their respective designated State agencies (P.A. 96-795, effective July 1, 2010).

The Illinois Office of the Auditor General contacted the Illinois Attorney General for a ruling on the Department acting as the full-time internal audit function for these agencies. The Attorney General ruled in Opinion No. 19-001, issued August 9, 2019, on page 18, that multiple designated State agencies may not appoint the same individual as their chief internal auditor through an intergovernmental agreement. Should designated State agencies desire to consolidate or combine their internal audit functions, they must either seek authorizing legislation from the General Assembly or follow the process for reassigning functions among or reorganizing executive agencies which are directly responsible to the Governor as established by article V, section 11, of the Illinois Constitution of 1970, and the Executive Reorganization Implementation Act. The ruling was issued after these two agreements were executed.

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-001. **FINDING** (Failure to Adhere to the Provisions of the Fiscal Control and Internal Auditing Act) – Continued

- The Department did not obtain the Governor’s approval for the Department to provide professional internal auditing services for the following designated State agencies:
 - IFA
 - IDHR
 - IDOA
 - IDFPR
 - IDOC

The Code (20 ILCS 405/405-293(a)) states the Department “is responsible for providing professional services for or on behalf of State agencies for all functions transferred to the Department by Executive Order No. 2003-10...” Part of Executive Order 2003-10 related to internal audit was reversed by P.A. 96-795, so this portion of the Section is not applicable in the circumstances. The Section continues “with the approval of the Governor, provide additional services to or on behalf of State agencies.” “Additional services” is not defined and no approval for the Department to provide internal auditing services for these agencies was obtained from the Governor.

- During testing of the reimbursement to the Department, we noted the following reimbursement arrangements for designated State agencies:

Agency	Reimbursement Arrangement
IFA	The Department is to pay all expenses related to the agreement.
IDOA	Allows the Department to use IDOA appropriations for processing payroll.
IDOC	When and if more than two full-time equivalent employees are hired, the payroll expenses will be supported by the IDOC via payroll agreements.
IDFPR	Allows the Department to use IDFPR appropriations for processing payroll.
IDHR	The IDHR agrees to transfer one full-time equivalent employee to the Department. Upon termination of this agreement, the Department will reimburse the IDHR for the full-time equivalent employee.
IDPH	No reimbursement arrangement noted in agreement.
IDVA	No reimbursement arrangement noted in agreement.

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-001. **FINDING** (Failure to Adhere to the Provisions of the Fiscal Control and Internal Auditing Act) – Continued

The Department inconsistently established reimbursement arrangements for these agreements and did not follow any of the reimbursement arrangements in the interagency agreements. The Department noted they never charge these agencies for reimbursement for internal audit services. Since the Department does not plan to process vouchers through IDOA or IDFPR appropriations, we believe there is a significant internal control risk with potentially delegating a State’s appropriation authority unnecessarily.

The Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance that: (1) resources are utilized efficiently, effectively, and in compliance with applicable law; (2) obligations and costs are in compliance with applicable law; and (3) funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

This finding was originally noted during the compliance examination for the two years ended June 30, 2019. In the subsequent examinations, the Department has not been successful in completely implementing corrective action. The Department’s management team is responsible for taking timely corrective action.

The Department indicated that the Department continued to honor interagency agreements to ensure continuity of internal audit services for agencies that faced challenges in maintaining their own full-time internal audit functions. The Department further indicated that the Department prioritized preventing gaps in audit coverage and supporting accountability across agencies. Due to the unique nature of these arrangements and changes in legislative guidance, certain formal requirements – such as obtaining gubernatorial approval and aligning reimbursement practices with agreement terms – were not fully executed or updated until after Fiscal Year 2025. Lastly, the Department indicated they did not charge agencies for services, consistent with a legislative change that allowed internal audit services to be reimbursed through the State-wide Cost Allocation Plan.

The establishment of intergovernmental agreements to provide internal audit functions to other designated agencies hinders the operational autonomy intended by the General Assembly for internal auditors and resulted in the Department’s Chief Internal Auditor not working full time with the Department’s own internal audit function. Management at these agencies cannot terminate an appointed chief internal auditor prior to the conclusion of their term without cause and a hearing before the Executive Ethics Commission, but management can terminate the interagency agreement with the Department at any time for any reason.

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-001. **FINDING** (Failure to Adhere to the Provisions of the Fiscal Control and Internal Auditing Act) – Continued

Failure to obtain the approval of the Governor for expanding the professional services provided by the Department limits governmental oversight and represents noncompliance with the Code.

Granting the Department authorization to expend the agency payroll appropriations weakens their overall internal control environment and represents noncompliance with State law. (Finding Code No. 2025-001, 2023-002, 2021-004, 2019-001)

RECOMMENDATION

We recommend the Department refrain from entering into interagency agreements which result in agencies and the Department not maintaining their own full-time internal audit function. We recommend any other services provided to agencies be done only with the approval of the Governor. Further, we recommend the Department consistently establish and enforce reimbursement arrangements for its interagency agreements. Interagency agreements should be amended to reflect the reimbursement arrangements followed by the Department.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department has taken steps to standardize interagency agreements (IGA) for internal audit services and ensure compliance with the Act. First, in consultation with the Department's Legal Division, we revised our IGAs, shared them with the Governor's Office, solicited feedback, and received no concerns about the proposed framework. Second, to ensure transparency, before issuing the updated agreements, Bureau of Internal Audit senior staff met with senior staff of each assisted agency and covered the significant revisions to the IGAs. We are now working with these agencies to secure fully executed agreements.

Significant revisions to the IGAs include a) language reminding assisted designated agencies without a Chief Internal Auditor of their statutory obligation to hire a Chief and securing their commitment to continue their efforts until one is hired, and b) consistent funding arrangements stating our assistance is funded through General Revenue appropriations made to the Department.

Additionally, the Department hired an Assistant Deputy Director of Internal Audit. Duties include functioning as the point of contact between the Department's Bureau of Internal Audit and assisted agencies so the Chief Internal Auditor may devote the entirety of his working hours to the Department.

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-002. **FINDING** (Failure to Conduct Yearly Performance Appraisals)

The Department of Central Management Services (Department) failed to conduct employee evaluations on a timely basis.

During our testing of 60 employees required to have annual performance evaluations, we noted annual evaluations were not performed for 31 of 60 (52%) employees tested for at least one of the two evaluations required during the engagement period. In addition, for the evaluations that were conducted, we noted 15 of 60 (25%) evaluations for employees tested were not conducted in accordance with Department policies or the Illinois Administrative Code (Code) for at least one of the two evaluations required during the engagement period. The evaluations were performed between 15 to 200 days late.

This finding was originally noted during the compliance examination for the two years ended June 30, 2013. In the subsequent examinations, the Department has not been successful in completely implementing corrective action.

The Department's internal personnel policy states, "Participation in the evaluation process is a requirement for all CMS employees. Evaluations take place every 12 months..." The Code (80 Ill. Admin. Code 302.270(d)) requires each agency to prepare such evaluations not less often than annually. Evaluations are due 30 days after the ending of the review period.

The Department's management team is responsible for implementing timely corrective action on all of the findings identified during a State compliance examination.

Department management indicated this is a manual process, which requires action and input by several individuals for each of the evaluations due each year. Due to these requirements, the Department was unable to complete or timely complete all performance evaluations.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations. These evaluations should serve as the foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. (Finding Code No. 2025-002, 2023-003, 2021-006, 2019-005, 2017-005, 2015-004, 2013-013)

RECOMMENDATION

We recommend the Department enforce its procedures throughout the Department to ensure the completion of performance evaluations in accordance with State rules and internal personnel policy.

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-002. **FINDING** (Failure to Conduct Yearly Performance Appraisals) – Continued

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department has implemented several processes to ensure performance appraisals are done in a timely manner. First, the Director notes this as an item of importance during executive leadership team meetings. Second, during monthly meetings, the Chief of Staff reminds the senior leadership team that all yearly performance appraisals shall be done in a timely manner. Third, Human Resources sends out a list to relevant senior leadership staff of any overdue or upcoming yearly performance appraisals.

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-003. **FINDING** (Internal Control Weaknesses over Personal Services)

The Department of Central Management Services (Department) demonstrated weaknesses related to personal services.

During testing, we noted the following:

- Two of 40 (5%) employees tested worked overtime during the examination period without proper prior approval and documentation.

According to the Overtime section in the Department’s Employee Handbook, “No employee is authorized to work overtime without prior approval of the employee’s appropriate high-ranking supervisor. Prior approval should be obtained electronically; however, in limited situations a verbal approval from the supervisor will suffice for overtime related to critical life safety or emergencies”.

The Department noted that employees may not always have advance notice that overtime will be required. As a result, supervisors may not receive timely requests for approval. Additionally, competing priorities can contribute to delays in a supervisor’s approval of overtime.

Failure to ensure overtime requests are properly documented and approved in advance undermines accountability controls and may result in unnecessary personal service expenditures and represents noncompliance with Department policy.

- Twelve of 40 (30%) employees tested did not submit their timesheets within a week of the last day of the timesheet. Timesheets were submitted between two and 235 days late. Additionally, we noted one of 40 (3%) employee timesheets tested was submitted without a signature date; therefore, we were unable to test timeliness.

According to the CMS Policy Manual, “The daily timesheet must be submitted to the employee’s supervisor for approval on a weekly basis.”

The Department noted that employee absences arising from unforeseen events, such as illness or family emergencies, as well as routine planned leave, result in interruptions to normal operations and contributed to inconsistencies in the execution of standard processes.

Failure to ensure employees timely submit timesheets results in incomplete documentation of time spent on official State business and represents noncompliance with Department policy.

STATE OF ILLINOIS
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-003. **FINDING** (Internal Control Weaknesses over Personal Services) – Continued

- During our testing of employee training requirements for 60 employees, seven of the employees tested were new hires. One of 7 (14%) new hires tested did not complete sexual harassment training or ethics training within 30 days of starting with the Department. Three of the 53 (6%) remaining employees tested did not complete the annual sexual harassment or ethics training.

The State Officials and Employees Ethics Act (5 ILCS 430/5-10) (Act) requires every new employee to complete ethics training within 30 days of hire and complete ethics training each calendar year. The Act (5 ILCS 430/5-10.5) also requires every new employee to complete a harassment and discrimination prevention training program within 30 days of hire and a harassment and discrimination prevention training program annually.

The Department noted that required trainings were not completed due to employee oversight.

Failure to monitor and determine completion of required training results in noncompliance with State laws, which could result in a workforce that is not adequately trained to fulfill required duties, and may expose the State to potential liability.

During the previous engagement we noted the Department failed to maintain and complete *Employment Eligibility Verification Forms* (I-9) for all I-9s tested. During the current engagement we noted all I-9s tested were maintained and complete.

This finding was originally noted during the compliance examination for the two years ended June 30, 2019. In the subsequent examinations, the Department has not been successful in completely implementing corrective action. The Department's management team is responsible for implementing timely corrective action on all the findings identified during a State compliance examination. (Finding Code No. 2025-003, 2023-004, 2021-008, 2019-007)

RECOMMENDATION

We recommend the Department strengthen controls related to prior approval and documentation of overtime. Additionally, we recommend the Department reinforce to employees the importance of submitting timesheets in accordance with Department policy. Lastly, we recommend the Department implement controls to ensure employees complete all required trainings in a timely manner and in accordance with State law.

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2025-003. **FINDING** (Internal Control Weaknesses over Personal Services) – Continued

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department has taken several steps to ensure proper documentation of overtime, timely disposition of timesheets, and proper enforcement of trainings. During monthly meetings, reminders are issued to the senior leadership team about the need to ensure timesheets are approved timely, proper oversight and approval are provided for overtime, and trainings are completed to ensure all employees are aware of relevant rules, policies, and procedures. In March 2026, the Department’s Human Resources (HR) began sending out a list of timesheets overdue by a month or more by either the employee or supervisor to the senior leadership team. This has led to a drastic reduction in outstanding timesheets. During annual training time periods, not only are regular reminders provided to all staff, but specific messages are sent to supervisors with staff that need to complete trainings. During a recent senior leadership team meeting, HR also did a presentation on both overtime and timesheet expectations, and the mechanics of how to do this in eTime.

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2025-004. **FINDING** (Inaccurate Agency Workforce Reports)

The Department of Central Management Services (Department) did not file accurate Agency Workforce Reports (Reports) with the Office of the Governor and the Office of the Secretary of State.

During our testing of the 2023 Report, we noted the following:

- The Department incorrectly reported various totals and percentages due to calculation errors that resulted in inaccurate totals for Females, Hispanic Females (2 instances), Caucasian males (2 instances), and minorities. We noted 6 calculation errors in the report.
- The Department could not provide support for new hires and promotions.

During our testing of the 2024 Report, we noted the following:

- The Department incorrectly reported various totals and percentages due to calculation errors that resulted in inaccurate totals for Caucasian Females, Caucasian Males, Males with physical disabilities, Females with physical disabilities and total number of contractual employees. We noted 5 calculation errors in the report.
- The Department could not provide support for new hires and promotions.

The State Employment Records Act (5 ILCS 410) requires State agencies to collect, classify, maintain and report certain employment statistics for women, persons with disabilities, and minority groups. Annual reports summarizing the information in a prescribed format are required to be filed by January 1 each year for the preceding fiscal year with the Office of the Secretary of State and with the Office of the Governor.

The Department noted that exceptions were due to human error.

Failure to provide complete and accurate reports to both the Office of the Secretary of State and the Office of the Governor prevents fulfillment of the purpose of the State Employment Records Act, which is to provide information to help guide efforts to achieve a more diversified State work force. (Finding Code No. 2025-004)

RECOMMENDATION

We recommend the Department implement procedures to ensure the Agency Workforce Report is prepared accurately. Further, we recommend the Department file corrected reports with the Office of the Governor and the Office of the Secretary of State within 30 days after the release of this examination report as required by the Illinois State Auditing Act (30 ILCS 5/3-2.2).

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2025-004. **FINDING** (Inaccurate Agency Workforce Reports) – Continued

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department has developed a system of checks and balances to ensure accuracy of this data. More than one individual is now responsible for verifying the data contained within the Agency Workforce Report to minimize human error. Rather than working from multiple excel spreadsheets, the Department is working towards the implementation of its new central computer system which will provide automated data in the future and eliminate human error all together. The Department will file corrected reports with Office of the Governor and Office of the Secretary of State within 30 days as required.

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2025-005. **FINDING** (Inadequate Monitoring of Interagency Agreements)

The Department of Central Management Services' (Department) process to monitor interagency agreements was inadequate.

During our testing of the Departments' interagency agreements, we noted five of 49 (10%) interagency agreements executed during the engagement period were not signed by all parties prior to the start date of the services. These agreements were signed between one and 76 days late.

The Department was first cited for noncompliance during the compliance examination for the year ended June 30, 2006. In the years since the finding was first noted, the Department has not been successful in correcting this finding.

The Illinois Intergovernmental Cooperation Act (5 ILCS 220/5) states that an agency may contract with another agency to transfer authority or privileges, provided that the contract is approved by both agencies. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish internal fiscal and administrative controls to provide assurance that resources, obligations and costs are in compliance with applicable laws, rules and agreements. Good internal controls require the approval of agreements prior to the effective date. Finally, the Department's management team is responsible for implementing timely corrective action on all the findings identified during a State compliance examination.

Department management indicated the late signing of these agreements was due to continued difficulties encountered with multi-agency discussion and collaboration resulting in late submission of the agreements to the Department for final signatures.

The Department entered into 49 agreements with other State agencies and other units of government during the examination period. The purpose of these agreements was to assist the Department in fulfilling its mandated mission. In order to assess whether the agreements are reasonable, appropriate, and sufficiently document the responsibilities of the appropriate parties, the contracts and agreements need to be approved prior to the effective date and executed before the commencement of services. Failure to execute contracts prior to the effective date and commencement of services increases the risk functions will not be performed by each party in accordance with their assigned responsibility; and could expose the State to unnecessary and avoidable litigation. (Finding Code No. 2025-005, 2023-005, 2021-009, 2019-004, 2017-004, 2015-005, 2013-014, 11-15, 09-16, 08-18, 07-27, 06-17)

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2025-005. **FINDING** (Inadequate Monitoring of Interagency Agreements) – Continued

RECOMMENDATION

We recommend the Department ensure all interagency agreements are executed prior to the effective date of the agreement and the commencement of services.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department has implemented the introduction of language into agreements which allows for a flexible effective date upon full execution of the agreement. This implementation continues to reduce the number of agreements that are signed after the effective date. We continue to encounter scenarios where the timely execution of agreements is not possible due to factors outside the Department's control.

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2025-006. **FINDING** (Weaknesses in Contract Administration)

The Department of Central Management Services (Department) failed to ensure proper controls were followed in the administration of its contracts during the engagement period.

During our testing of 20 contracts, we noted one (5%) contract tested, totaling \$360,000, did not include the required authorization signatures for contracts exceeding \$250,000. The contract was missing the authorization for contracts exceeding \$250,000 from the Director, the Chief Legal Counsel, and the Chief Fiscal Officer, or their designees.

The State Finance Act (30 ILCS 105/9.02) requires any new contract or contract renewal in the amount of \$250,000 or more in a fiscal year, or any order against a master contract in the amount of \$250,000 or more in a fiscal year, or any contract amendment or change to an existing contract that increases the value of the contract to or by \$250,000 or more in a fiscal year, shall be signed or approved in writing by the chief executive officer of the agency or his or her designee, and shall also be signed or approved in writing by the agency's chief legal counsel or his or her designee and chief fiscal officer or his or her designee.

Department management stated issues noted were due to oversight.

Failure to properly administer contractual agreements in compliance with all applicable laws and policies could potentially compromise public accountability and oversight; could expose the State to unnecessary legal risks; does not bind the contractor to comply with applicable laws; and could result in improper or unauthorized payments. (Finding Code No. 2025-006)

RECOMMENDATION

We recommend the Department ensure all required signatures are present in contracts entered into.

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For the Two Years Ended June 30, 2025

2025-006. **FINDING** (Weaknesses in Contract Administration) – Continued

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department is committed to strengthening its internal controls and review procedures to ensure all contracts fully comply with applicable laws, policies, and oversight requirements going forward.

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2025-007. **FINDING** (Failure to Publish Real Estate Purchase in the Procurement Bulletin)

The Department of Central Management Services (Department) failed to publish a real estate purchase in the Procurement Bulletin within 10 calendar days after the deed was recorded in the county of jurisdiction as required by the Illinois Procurement Code (Code) (30 ILCS 500/1-10(b)(6)).

During our testing of contracts over \$3 million, we noted one of 10 (10%) contracts tested was for the purchase of real estate totaling \$6.2 million. The Department recorded the deed for this property on April 30, 2024; however, the purchase was not published in the Procurement Bulletin as required by the Code.

The Code (30 ILCS 500/1-10(b)(6)) requires notice of real estate purchases with a contract value of more than \$25,000 to be published in the Procurement Bulletin within 10 calendar days after the deed is recorded in the county of jurisdiction. The notice shall identify the real estate purchased, the names of all parties to the contract, the value of the contract, and the effective date of the contract.

The Department did not publish the purchase of real estate in the Procurement Bulletin due to staff turnover leading to the inability to locate relevant documents related to the acquisition.

Failure to publish real estate purchases in the Procurement Bulletin is noncompliance with the Code and hinders public transparency in the purchase of real estate. (Finding Code No. 2025-007)

RECOMMENDATION

We recommend the Department ensure all real estate purchases are published in the Procurement Bulletin as required by the Code.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department remains firmly committed to ensuring all real estate purchases are published in the Procurement Bulletin in a timely manner and in full compliance with all applicable statutory and transparency requirements.

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2025-008. **FINDING** (Inadequate Controls over Voucher Processing)

The Department of Central Management Services (Department) did not timely submit its vouchers for payment to the Office of Comptroller.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning (ERP) System operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Department to determine whether certain key attributes were properly entered by the Department's staff into ERP. In order to determine the operating effectiveness of the Department's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the ERP System based on supporting documentation. The attributes tested were (1) vendor information, (2) expenditure amount, (3) object(s) of expenditure, and (4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

We then conducted an analysis of the Department's expenditures data for fiscal years 2024 and 2025 and noted the following:

- The Department did not timely approve 84,434 of 177,592 (48%) vouchers processed during the examination period, totaling \$249,861,407. We noted these vouchers were submitted by the Department to the Office of Comptroller between one and 352 days late.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70) requires the Department to timely review each vendor's invoice and approve proper bills within 30 days after receipt.

The Department reported that vouchers were not processed and approved in a timely manner due to several contributing factors. These include persistent understaffing in fiscal areas, delays in filling vacant positions, and the time required to train new employees. Additionally, new hires face extended wait times for access to fiscal systems, as they must first be entered into the new human resources system before receiving a login. Further delays were caused by an overhaul of source data systems, which temporarily halted voucher processing, as well as competing priorities during the lapse period.

Failure to timely process proper bills and obligations due may result in noncompliance, unnecessary interest charges, and cash flow challenges for payees. (Finding Code No. 2025-008)

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2025-008. **FINDING** (Inadequate Controls over Voucher Processing) – Continued

RECOMMENDATION

We recommend the Department timely approve proper bills and obligations due.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department continues to reinforce approval requirements to prevent late approvals.

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2025-009. **FINDING** (Weaknesses in Cybersecurity Programs and Practices)

The Department of Central Management Services (Department) had not implemented adequate internal controls related to cybersecurity programs and practices.

As a result of the Department’s mission to support the State by delivering innovative, responsive, and effective services that provide the best value for Illinois State government and the people it serves, the Department maintains computer systems that contain large volumes of confidential or personal information such as names, addresses, and Social Security numbers of the citizens of the State.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the Department’s cybersecurity program, practices, and control of confidential information, we noted the Department had not:

- Ensured all staff members and contractors completed cybersecurity training annually. During testing, we noted three of 60 (5%) employees tested did not complete the annual cybersecurity training.
- Completed a formal risk assessment during Fiscal Year 2024.
- Ensured that data classification documentation included information related to data retention and destruction, as well as addressed data stored outside of applications, web or mainframe.
- Reviewed and updated cybersecurity staff roles and responsibilities.

This finding was originally noted during the compliance examination of the two years ended June 30, 2019. In the subsequent examinations, the Department has not been successful in completely implementing corrective action.

During the previous engagement, we noted the Department had not documented and implemented a formal backup policy related to backup verification and off-site storage, as well as documented a formal change management policy noting Department specific procedures. During the current engagement, the Department had implemented both a formal backup policy and change management policy addressing all required components.

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2025-009. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) – Continued

The Data Security on State Computers Act (20 ILCS 450/25) requires every employee to annually undergo training by the Department of Innovation and Technology concerning cybersecurity.

The Framework for Improving Critical Infrastructure Cybersecurity and the Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST) requires entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

The Department's management team is responsible for implementing timely corrective action on all the findings identified during a State compliance examination.

Department management indicated the issues noted were due to competing priorities.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the Department's volumes of personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2025-009, 2023-010, 2021-011, 2019-010)

RECOMMENDATION

We recommend the Department:

- Ensure all employees and contractors complete security awareness training annually.
- Complete a risk assessment each fiscal year.
- Include information related to retention and destruction, as well as address data stored outside of applications, web and mainframe in its data classification documentation.

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2025-009. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) – Continued

- Review and update cybersecurity staff roles and responsibilities.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendations. The Department acknowledges the importance of maintaining strong cybersecurity programs and practices and will strengthen its internal processes to support compliance with applicable requirements. The Department will work closely with the Department of Innovation and Technology to enhance monitoring of timely completion of annual cybersecurity training, support the implementation of risk assessments, and update data classification documentation. The Department has completed the review and update of cybersecurity staff roles and responsibilities.

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2025-010. **FINDING** (System Access Weaknesses)

The Department of Central Management Services (Department) had not established adequate controls for accessing its computing environment.

During fieldwork, we examined the Department's system access controls over the following significant applications with a material impact on the Department's financial information and operations:

- Assets Works
- Critical Functions
- Internet Billing System (IBiS)/Billing Allocation System (BAS)
- Tenancy Rate Management System (TeRMS)
- Group Insurance Membership System (GIMS)
- Group Insurance Financial Control System (GIFCS)
- MyBenefits
- Enterprise Resource Planning (ERP)
- Central Payroll System (CPS)
- Central Time and Attendance System (CTAS)
- eTime

During our user access review testing, we noted there were no documented annual access reviews performed on the following applications: GIMS, GIFCS, MyBenefits, CTAS, eTime, and IBiS.

We tested the Department's user access provisioning procedures for a sample of 147 users across the 11 applications included above. Our sample of 147 users was comprised of 99 existing users, 14 new-hired users, 22 terminated users, and 12 with administrative rights. We noted the following exceptions:

- Eight of 99 (8%) existing users' access to the application was not needed to perform their job responsibilities. This included three users for GIMS, four users for GIFCS, and one user for ERP.
- Seventeen of 22 (77%) users had separated from the Department but were still defined as authorized users in the tested application as of June 30, 2025. This includes five users for GIMS, three users for IBiS, six users for MyBenefits, one user for ERP and two users for eTime. Network domain access for these separated users has been disabled, preventing access to the application. However, users have not been removed from the authorized users listing.

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2025-010. **FINDING** (System Access Weaknesses) – Continued

Generally accepted information technology guidance endorses the development of well-designed and well-managed controls to protect computer systems and data, including regular reviews of user access rights.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Configuration Management section, requires entities to ensure applications are modified in a manner that promotes consistency, integrity, and security and ensure access is appropriate and timely terminated, and access reviews are conducted periodically.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Department management stated the exceptions noted were due to staff oversight.

Failure to review user access listings and remove application access for separated employees or unneeded access for current employees may result in unauthorized access to sensitive information or data breaches. (Finding Code No. 2025-010)

RECOMMENDATION

We recommend the Department strengthen internal controls to ensure annual access reviews are performed for all significant applications. Additionally, we recommend the Department ensure user access is only maintained for employees whose job responsibilities require it. Lastly, we recommend the Department implement controls to revoke separated employees' access rights in a timely manner.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendations. The Department has strengthened its controls to ensure access to all applications is properly authorized, limited to staff with a valid business need, timely removed for separated employees, and user access lists are routinely reviewed. Offboarding forms are being reviewed for potential improvements, and with the recent appointment of a permanent Department of Innovation and Technology Department of Central Management Services Chief Information Officer (CIO), Department staff are working closely with the new CIO to validate access rights across all systems.

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2025-011. **FINDING** (Weakness in Maintenance of System Application Records)

The Department of Central Management Services (Department) did not adequately maintain records related to its population of system applications.

We requested a population of system applications to select for further testing related to the significance of the application to the Department’s internal control environment. In response to our request, the Department provided a listing; however, the Department was unable to provide corroborating evidence to demonstrate the listing was complete and accurate. When we brought the issues to the Department’s attention, they provided a revised list, which included an additional 19 applications. Additionally, the Department noted 8 applications listed as in production on the original listing that are no longer in use.

Due to these conditions, we were unable to conclude the Department’s population of system applications was sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accounts (AT-C § 205.36).

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State’s resources.

Additionally, the Statement on Standards for Attestation Engagements addresses Assertion-Based Examination Engagements (AT-C § 205.36), which requires when using information produced by the entity, the practitioner should evaluate whether the information is sufficiently reliable for the practitioner’s purposes, including obtaining evidence about the accuracy and completeness of the information; and evaluate whether the information is sufficiently precise and detailed for the practitioner’s purposes.

Lastly, the State Records Act (5 ILCS 160/8) requires the Department to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Department’s activities.

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2025-011. **FINDING** (Weakness in Maintenance of System Application Records) – Continued

Department management indicated cross agency ownership and differing classification criteria exist for system inventories. The Department maintains a broader internal technology inventory to understand tools in use, while the enterprise technology inventory listing is maintained and updated by the Department of Innovation and Technology using separate application qualification standards. Updates to the enterprise list occur outside the Department’s control, which can result in inconsistencies during reconciliation.

Failure to maintain adequate and accurate records of system applications utilized by the Department can result in the inability to monitor vital application information. (Finding Code No. 2025-011)

RECOMMENDATION

We recommend the Department implement controls to ensure the system application listing is accurate and complete.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department acknowledges the importance of maintaining complete and accurate records and will strengthen its internal processes. The position of the Department of Innovation and Technology Department of Central Management Services Chief Information Officer (CIO) has recently been permanently filled, and the Department is working closely with the new CIO to improve coordination and alignment.

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2025-012. **FINDING** (Failure to Properly Dispose of Data and Software from Electronic Systems)

The Department of Central Management Services (Department) failed to properly dispose of data and software from electronic systems according to the Data Security on State Computers Act (Act) (20 ILCS 450/1).

During our testing of the Department’s electronic system disposal policy, we noted 16 of 40 (40%) electronic systems disposed of by the Department, and tested by us, were not disposed of according to the Act. We noted the following:

- Four of 40 (10%) certificates of sanitation observed were not dated.
- Eleven of 40 (28%) certificates of sanitation observed were not signed.
- One of 40 (3%) items did not have certificates of sanitation that could be provided for observation and testing.

The Act (20 ILCS 450/20) states the Department shall implement a policy to mandate that all hard drives of surplus electronic data processing equipment be erased, wiped, sanitized, or destroyed in a manner that prevents retrieval of sensitive data and software before being sold, donated, or transferred by overwriting the previously stored data on a drive or a disk at least 3 times or physically destroying the hard drive and certifying in writing that the overwriting process has been completed by providing the following information: the serial number of the computer or other surplus electronic data processing equipment; the name of the overwriting software or physical destruction process used; and the name, date, and signature of the person performing the overwriting or destruction process.

Department management indicated during the examination period, the process was undergoing organizational transition, including staffing adjustments and process refinement. As part of ongoing process improvement efforts, certain oversight controls had not yet been formally established or documented, resulting in a gap in review and certification retention.

Failure to sign and date the certificates of sanitation is noncompliance with the Act and creates uncertainty of who sanitized the device and when this occurred. Failure to maintain a certificate of sanitation creates uncertainty if the device was properly sanitized and could result in sensitive data being compromised if the action was not taken. (Finding Code No. 2025-012)

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2025-012. **FINDING** (Failure to Properly Dispose of Data and Software from Electronic Systems) – Continued

RECOMMENDATION

We recommend the Department strengthen internal controls around its disposal policies to accurately complete and maintain certificates of sanitation for all electronic devices disposed of.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department acknowledges the importance of proper disposal of data and software from electronic systems and will strengthen its internal processes to support compliance with the Act. The Department will continue to work closely with the Department of Innovation and Technology to improve oversight of the disposal process and documentation practices.

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2025-013. **FINDING** (Inadequate Procedures Regarding State Vehicles)

The Department of Central Management Services (Department) had several weaknesses regarding State vehicles.

During our testing, we noted the following:

- We were unable to verify the completeness and accuracy of the Department's vehicle listing for Fiscal Year 2024 and Fiscal Year 2025. We noted through corroborative efforts that the beginning and/or ending vehicle count, as well as odometer readings, were not consistent from the ending of one Fiscal Year to the beginning of another Fiscal Year. The Department was unable to adequately explain the discrepancies.

The Statement on Standards for Attestation Engagements addresses Assertion-Based Examination Engagements (AT-C § 205.36), which requires when using information produced by the entity, the practitioner should evaluate whether the information is sufficiently reliable for the practitioner's purposes, including obtaining evidence about the accuracy and completeness of the information; and evaluate whether the information is sufficiently precise and detailed for the practitioner's purposes. Additionally, the State Records Act (5 ILCS 160/8) requires the Department to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Department's activities. Lastly, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Department management indicated the issues noted were due to data entry errors into the vehicle tracking software.

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2025-013. **FINDING** (Inadequate Procedures Regarding State Vehicles) – Continued

- Despite the population issues noted, we selected a sample for testing and noted:
 - The Department was unable to provide an accurate beginning mileage reading for 13 of 20 (65%) vehicles tested. Auditors noted 15 instances in which the odometer reading was less at the time of oil change, or end of Fiscal Year 2025, than what was reported at the beginning of Fiscal Year 2024. Therefore, we were unable to test the mileage requirement for when an oil change was required.
 - Ten of 20 (50%) vehicles tested did not have an oil change performed within 5,000 miles of the previous oil change as required by Department policy. We noted 16 instances, where vehicles did not have a timely oil change. Oil changes occurred 1,827 to 17,773 miles past the required threshold. Additionally, we noted two vehicles that traveled over 5,000 miles during the examination period; however, they failed to obtain an oil change during the examination period.
 - 13 of 20 (65%) vehicles tested did not have support to show either a tire rotation or annual inspection occurred during the examination. Therefore, we were unable to determine if these vehicles were in compliance with the 10,000 mile tire rotation requirement.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5040.400) requires all State-owned or leased vehicles undergo regular service and/or repair in order to maintain the vehicles in road worthy, safe, operating condition and appropriate cosmetic condition. The Code requires the driver to check oil, coolant, and battery water levels (if possible) regularly. The Code (44 Ill. Admin. Code 5040.410) also requires agencies to have vehicles inspected by the Department at least one per year and maintain vehicles in accordance with the schedules provided by the Department or with other schedules acceptable to the Department that provide for proper care and maintenance of special use vehicles. Furthermore, according to the Department's vehicle maintenance schedule, the Department requires oil changes for vehicles every 5,000 miles and tire rotations every 10,000 miles.

Department management stated exceptions were due to employee oversight and lack of adequate training related to tracking vehicle maintenance.

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2025-013. **FINDING** (Inadequate Procedures Regarding State Vehicles) – Continued

- During our testing of the Department’s accident reports filed during the engagement period, we noted that for two of 6 (33%) accident reports tested, the CMS Claim Intake Forms were not signed or dated.

The Code (44 Ill. Adm. Code 5040.520) requires a driver of a State owned or leased vehicle which is involved in an accident of any type to report such accident to the appropriate law enforcement agency, the State’s insurance carrier and to the Department by completing the CMS Claim Intake Form. The CMS Claim Intake Form is to be completed, as nearly as possible, in its entirety including a clear description of the accident and the conditions surrounding the accident no later than three days following the accident and submitted to the office of the current insurance carrier. All accidents must be reported to the Division of Risk Management within seven days to ensure coverage under the State’s auto liability plan.

Department management indicated the exceptions were due to lack of supervisor review of the CMS Claim Intake Form.

Failure to accurately track and monitor vehicles could result in improper usage and additional charges to the State. Additionally, failure to maintain vehicles properly can cause these vehicles to not function at an optimum level, and could cost the State additional amounts in future years through additional repair bills and shortened useful lives for the vehicles. Lastly, when accident reports are not submitted timely and accurately, facts of the accident may become unclear and it is more difficult to follow up on any possible liability. (Finding Code No. 2025-013, 2023-008, 2021-010)

RECOMMENDATION

We recommend the Department:

- Maintain an accurate and updated vehicle listing.
- Enforce vehicle maintenance schedules to reduce future year expenditures for repairs and to extend the useful life of vehicles.
- Monitor the submission of accident reports to ensure the requirements are being met as required by the Illinois Administrative Code.

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2025-013. **FINDING** (Inadequate Procedures Regarding State Vehicles) – Continued

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. To support the FY25 implementation of the Department’s new maintenance and repair program, the division responsible for the data entry of vehicles has undergone several process improvements. These include an updated and more accurate trigger for new vehicle entry into the database, changes to the data that is entered when a new vehicle is built in the database, and timely deletion of canceled vehicle orders. It is anticipated that over time, these changes will improve the accuracy of the vehicle listing.

The process of installing telematics devices in all Department vehicles was completed early FY26. The Department’s telematics database has been configured to send automated reminders directly to fleet vehicle coordinators, drivers, and supervisors well in advance of when vehicle maintenance services are coming due. This will improve compliance with the vehicle preventive maintenance schedule, which will in turn extend the useful life of fleet vehicles.

In FY26, the Department’s vehicle coordinator was retrained on accident reporting procedures to ensure the reporting timeframe was understood and the Section Manager began closely monitoring the submission of accident reports. The Department will add accident reports to the vehicle coordinator’s internal weekly managers’ update to further monitor and ensure compliance.

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2025-014. **FINDING** (Weaknesses in Review of Accounts Receivable)

The Department of Central Management Services (Department) did not consistently pursue collection activities of delinquent debts.

We selected a sample of 40 accounts receivables for testing and noted the following:

- Six (15%) accounts receivable tested did not have a current notification sent out during the engagement period for outstanding balances.
- One (3%) account receivable tested did not have follow up after the initial monthly payment plan document was sent from the Department.
- Six (15%) accounts receivable were closed, and no collection efforts were deemed necessary; however, balances showed outstanding on the accounts receivable listing.

According to the Statewide Accounting Management System (SAMS) Manual (Procedure 26.40.10), after 60 days, the following collection activities should be undertaken by the Department:

- Issuance of registered letters and telephone contact at scheduled intervals.
- Face-to-face meetings.
- Conduct asset searches.
- Confirm current location of debtor.
- Determine if there are any predecessor-successor relationships.
- Review books and records of debtors.
- Notify credit reporting agencies.
- Perform bank levies.
- File appropriate liens and judgments

The SAMS Manual (Procedure 26.40.10) states once an agency's debt is deemed by the Department of Revenue Debt Collection Bureau (Bureau) to be uncollectible, the Bureau shall return the debt to the referring agency which will then write the debt off as uncollectible or return the debt to the Bureau for additional collection efforts.

Additionally, the SAMS Manual (Procedure 26.40.10) states throughout the collection process, it is critical that agencies maintain complete records of all collection efforts related to each past due account.

Department management noted the exceptions were due to a physical office move and issues transitioning to a paperless environment, requiring reliance on paper records until corrective projects are completed. Additional contributing factors were a shift in work responsibilities and delays in migrating between legacy and new systems.

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2025-014. **FINDING** (Weaknesses in Review of Accounts Receivable) – Continued

Failure to ensure adequate collection activities increases the risk of failing to collect receivables. (Finding Code No. 2025-014).

RECOMMENDATION

We recommend the Department ensures it is actively following up on overdue accounts receivable. Additionally, we recommend the Department update its accounts receivable records to ensure it reflects the most up to date information related to all outstanding accounts receivable.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department has reviewed all accounts to ensure accuracy. Additionally, the Department is working closely with Illinois Office of Comptroller and the Department's internal fiscal operations to review operational procedures and address collection and communication deficiencies which will improve the Department's ability to track and follow through on its collections processes.

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2025-015. **FINDING** (Weaknesses in Functions and Planning Program)

The Department of Central Management Services (Department) had weaknesses in its functions and planning program.

During testing we noted the following:

- The Department did not prepare an annual report of its acts and doings as required by the State Finance Act (30 ILCS 105/3) (Act) for fiscal years 2023 or 2024.
- We requested from the Department a listing of all publications required to be submitted to the State Library. To corroborate the listing, we compared what was provided to what the Department had posted under “Reports” on its website. These reports were considered to be representative of the publications issued by the Department as stated within the Act. We were unable to successfully corroborate the completeness and accuracy of the publication listing.

Even given the limitations noted above, we selected a sample of publications from the listing for testing. For the sample selected, we noted the following:

- One of five (20%) publications was not submitted by the Department to the State Library.
- One of five (20%) publications was not submitted to the State Library timely. The publication was submitted 84 days after the publication date.

The State Finance Act (30 ILCS 105/3) requires each officer of the executive department and all public institutions of the State to, no later than January 7 of each year, make and deliver to the Governor an annual report of their acts and doings, respectively, arranged so as to show the acts and doings of each for the fiscal year ending in the calendar year immediately preceding the calendar year in which that regular session of the General Assembly convenes.

The State Library Act (15 ILCS 320/21) requires all State agencies to provide and deposit with the Illinois State Library sufficient copies of all publications issued by such State agencies for its collection and for exchange purposes.

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2025-015. **FINDING** (Weaknesses in Functions and Planning Program) – Continued

The Statement on Standards for Attestation Engagements addresses Assertion-Based Examination Engagements (AT-C § 205.36), which requires when using information produced by the entity, the practitioner should evaluate whether the information is sufficiently reliable for the practitioner’s purposes, including obtaining evidence about the accuracy and completeness of the information; and evaluate whether the information is sufficiently precise and detailed for the practitioner’s purposes.

Department management stated the Department did not prepare the annual report of its acts and doings due to competing priorities. The issues noted regarding the completeness and accuracy of the publication listing was a result of competing priorities. Additionally, the bureau of the Department where exceptions were noted was unaware of the statutory filing requirement and the submission process for filing documents with the State Library.

Failure to submit the Department’s annual report of its acts and doings hinders the exposure of the Department’s efforts to the Governor. Additionally, failure to maintain a complete and accurate publication listing makes it difficult to track the publications that have been submitted to the State Library. Lastly, failure to submit publications to the State Library results in noncompliance with a statutory mandate. (Finding Code No. 2025-015)

RECOMMENDATION

We recommend the Department ensures it prepares an annual report of its acts and doings and submits it timely to the Governor. Additionally, we recommend the Department maintain an accurate and updated listing of reports required to be submitted to the State Library and implement controls to ensure all required reports are being submitted to the State Library in a timely manner.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department will work to ensure it prepares and timely files the report of acts and doings to the Governor. The Department will maintain an accurate and updated list of reports required to be submitted to the State Library and will ensure all required reports are submitted in a timely manner.

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2025-016. **FINDING** (Noncompliance with Statutory Mandates)

The Department of Central Management Services (Department) did not comply with various statutory mandates.

During testing, we noted the following:

- The Civil Administrative Code of Illinois (Code) (20 ILCS 405/405-125) requires the Department to collect information concerning each State agency’s Hispanic, Asian-American, Native American, and bilingual employment strategies and programs, findings made by the Governor, studies and monitoring concerning the number of bilinguals, Hispanic, Asian American, and Native American persons employed by the agency at the supervisory, technical, professional, and managerial levels and any increases in those categories from the prior year and budget allocations. The Department did not collect the following information:
 - Information related to the agencies’ bilingual, Hispanic, Asian American, and Native American employment strategies and programs the agencies had received in 2023 and 2024.
 - Assessments of bilingual service needs based upon the agencies’ service populations in the 2023 and 2024 Bilingual Reports.
 - The 2023 Hispanic, Asian American, Native American, and Bilingual Reports and the 2024 Bilingual Report did not include information on the agencies’ studies and monitoring success concerning the number of bilinguals, African American, Hispanic, Asian American, and Native American persons employed by the agencies at the supervisory, technical, professional, and managerial levels and any increases in those categories from the prior year.

During the previous examination, we noted the Department failed to collect information concerning each State agency’s Hispanic, Asian-American, Native American, and bilingual employment budget allocations. The Department began collecting this information for the 2024 Hispanic Employment Plan Report, Asian-American Employment Plan Report, Native American Employment Plan Report, and bilingual Employment Plan Report.

The Department was unable to complete this process during the engagement period due to competing priorities.

Failure to include all required elements represents noncompliance with the Code and could deter efforts by State officials, administrators, and residents to achieve a more diversified State workforce.

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2025-016. **FINDING** (Noncompliance with Statutory Mandates) – Continued

- The Civil Administrative Code of Illinois (Code) (20 ILCS 405/405-300(g)) requires the Department to develop and implement a system for evaluating energy consumption in facilities leased by the Department, and to develop energy consumption standards for use in evaluating prospective lease sites.

The Department has implemented monitoring activities for energy consumption; however, the Department failed to develop a system for evaluating energy consumption in facilities leased by the Department. Additionally, the Department has not developed energy consumption standards for evaluating prospective lease sites.

The Department was unfamiliar with the requirements of producing standards for current and potential lease sites for evaluating energy consumption due to staff turnover.

Failure to implement a system for evaluating energy consumption in facilities leased by the Department, and the lack of established energy consumption standards for prospective lease sites limits the Department's ability to make informed, cost-effective, and environmentally responsible decisions regarding leases.

- The Civil Administrative Code of Illinois (Code) (20 ILCS 405/405-317) requires the Director of the Department to take actions as necessary to ensure that actual bird mortality is monitored at State buildings that were constructed, acquired, or of which 50% of the façade is substantially altered after January 1, 2022.

The Department failed to monitor bird mortality during the engagement period. We did note a Bird Strike Standard Operating Procedures and Strike Tracking Mechanism was developed during the engagement period; however, it was still in draft form as of June 30, 2025.

Department management stated that while efforts were made to implement corrective action from the previous engagement, competing priorities made it so this was not done in a timely manner.

Failure to monitor bird mortality rates could result in higher bird mortality rates.

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2025-016. **FINDING** (Noncompliance with Statutory Mandates) – Continued

- The Civil Administrative Code of Illinois (Code) (20 ILCS 405/405-330) requires the Director to authorize to each member of the police force and to any other employee of the Department exercising the powers of a peace officer a distinct badge that, on its face, (i) clearly states that the badge is authorized by the Department and (ii) contains a unique identifying number. No other badge shall be authorized by the Department.

The Department failed to authorize a distinct badge that states the badge is authorized by the Department and contains a unique identifying number to a member of the security force. One employee was identified by the Department as being in a position with police powers.

The Department was unfamiliar with the requirements of issuing a distinct badge to those exercising the powers of a peace officer.

Failure to authorize a badge to those with police powers undermines the statutory legitimacy of a peace officer's authority and exposes the Department to potential legal liability and security risks, as it compromises both identification integrity and public trust in law enforcement personnel.

- The Civil Administrative Code of Illinois (Code) (20 ILCS 405/405-540) requires the African Descent-Citizens Reparations Commission (Commission) to have the Governor or his or her designee; one member of the House of Representatives appointed by the Speaker of the House of Representatives; one member of the Senate appointed by the President of the Senate; one member of the House of Representatives appointed by the minority Leader of the House; one member of the Senate appointed by the Minority Leader of the Senate; three representatives of a national coalition that supports reparations for African American descendants of slavery; and ten members of the public appointed by the Governor, of which at least eight of whom are African American descendants of slavery. The Code also requires the Commission to develop and implement measures to ensure equity, equality, and parity for African American descendants of slavery, hold hearings to discuss the implementation of these measures, educate the public on reparations for African American descendants of slavery, and report its information and findings to the General Assembly. The Commission shall also discuss and perform actions regarding preserving African American neighborhoods and communities through investments, building and developing a Vocational Training Center for People of African Descent-Citizens, ensuring proportional economic representation in all State contracts, and creating and enforcing an Illinois Slavery Era Disclosure Bill. Lastly, the Code requires the Commission, beginning January 1, 2022, to submit an annual report regarding its actions and information as required under this section to the

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2025-016. **FINDING** (Noncompliance with Statutory Mandates) – Continued

Governor and General Assembly, and to post this report to the Department’s website.

During our testing of the Code, we noted the following exceptions:

- The Commission lacked the following required members:
 - One member of the Senate appointed by the President of the Senate.
 - One member of the Senate appointed by the Minority Leader of the Senate.

We noted there was a vacancy in one of ten members of the public appointed by the Governor, however; the Department provided communications with the Governor’s office attempting to fill the vacancy. Since the Department does not have the authority to make appointments and exhausted efforts to fill the vacancy, we did not consider this to be an exception.

- The Commission submitted the annual report due January 1, 2024, to the Governor and General Assembly on January 24, 2024, 23 days late. Additionally, the Department was unable to provide evidence confirming the submission of the Commission’s annual report due January 1, 2025, to the Governor.

Department management indicated per the statute, the Department does not have jurisdiction to fill the vacancies. The statute specifies which parties must make the mentioned appointments. Annual reports were not submitted due to staff error.

Failure to fully staff the Commission hinders the ability of the Commission to function as intended by the General Assembly. Failure to submit required reports, and do so timely, hinders the public exposure of the Commission’s efforts.

- The African American Employment Plan Act (Act) (20 ILCS 30/20) requires the Department to collect information concerning the number of African Americans employed by the agency at the supervisory, technical, professional, and managerial levels and any increases in those categories from the prior year and assessment of service needs based upon the agency’s service populations, and information concerning the agency’s African American employment budget allocations.

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2025-016. **FINDING** (Noncompliance with Statutory Mandates) – Continued

The Department did not include the following information:

- Information related to strategies and programs the agencies had received pursuant to their periodic review responsibilities in the 2023 and 2024 State African American Employment Plan Report.
- Assessment of service needs based upon the agencies' service populations in the 2023 and 2024 State African American Employment Plan Report.
- Information on agencies' studies and monitoring success concerning the number of African Americans employed by the agencies at the supervisory, technical, professional, and managerial levels and any increases in those categories from the prior year in the 2023 State African American Employment Plan Report.

The Act (20 ILCS 30/25) also created the African American Employment Plan Advisory Council consisting of 11 members appointed by the Governor with the Department providing administrative support. The African American Employment Plan Advisory Council only consisted of 9 of 11 members during Fiscal Year 2024, and 8 of 11 members during Fiscal Year 2025.

During the previous examination, the Department failed to collect information from each State agency on findings made by the Governor in his report to the General Assembly and information concerning each State agency's African American employment budget allocations. During the current examination, the Department worked with the Governor on findings in his report to the General Assembly, in which there were none noted. Additionally, the Department collected information concerning State agencies' African American employment budget allocations for the 2024 African American Employment Plan Report.

The Department was unable to complete the process of including all the required information in the African American Employment Plan Report during the engagement period due to competing priorities. Additionally, the Department indicated it is currently attempting to fill the vacancies, but it takes time and effort to find individuals with the credentials to be on the Council. The Department also mentioned it relies on the Governor to appoint members, which can also cause delays in filling vacancies.

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2025-016. **FINDING** (Noncompliance with Statutory Mandates) – Continued

Failure to collect all information required by the Act could deter efforts by State officials, administrators, and residents to achieve a more diversified State workforce. Failure to ensure the Council is fully staffed results in noncompliance with the Act and could deter efforts by State officials, administrators, and residents to achieve a more diversified State workforce.

- The Illinois Muslim American Advisory Council Act (Act) (20 ILCS 5110) created the Illinois Muslim American Advisory Council (Council) to advise the Governor and General Assembly on policy issues impacting Muslim Americans and immigrants; advance the role and civic participation of Muslim Americans in this State; enhance trade and cooperation between Muslim-majority countries and this State; and build relationships with and disseminate information to, in cooperation with State agencies, boards, and commissions, Muslim American and immigrant communities across this State. The Council shall consist of 21 members and ten ex officio members. The Department is mandated to appoint a liaison to serve as an ex officio member of the Council. The Department did not appoint such a liaison during the engagement period.

Department management indicated an ex officio member was previously appointed to the Council; however, that individual has since separated from the Department. Efforts were made to designate a new member to the Council, but due to staff turnover, this could not be accomplished during the engagement period.

Failure to appoint the ex officio member to the Council could result in the inability of the Department to influence its activities to support the Illinois Muslim community.

- The Upper Illinois River Valley Development Authority Act (Act) (70 ILCS 530/4) requires that the governing and administrative powers of the Upper Illinois River Valley Development Authority (Authority) to be vested in a body consisting of 21 members including, as ex officio members, the Director of the Department, or his or her designee. Additionally, the Act requires that eleven members shall constitute a quorum, and the Authority may not meet or take any action without a quorum present. During the examination period, there were 24 Authority meetings scheduled. Of the 24 scheduled meetings, the Department could only provide evidence that 11 meetings were held during the examination period. While the Department provided evidence that four meetings were cancelled, it was unable to provide documentation demonstrating attendance or cancellation for nine meetings. For the 11 meetings held during the examination period, the Department failed to attend one (9%) of the 11 documented meetings.

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2025-016. **FINDING** (Noncompliance with Statutory Mandates) – Continued

Department officials stated noncompliance was a result of competing priorities.

Failure to attend the meetings of the Authority could result in lack of a quorum and hinder the Authority’s ability to take necessary actions.

- The State Property Control Act (Act) (30 ILCS 605/7) requires the Department to advertise at least once in a newspaper for general circulation in the county where the transferable property for sale is to be sold.

The Department failed to advertise sales of transferable property at least once in a newspaper to have a general circulation in the county where the property for sale is to be sold.

The Department stated it is working with its legal division to update the outdated newspaper publication requirement in the Act, ensuring it reflects the transition to an online auction platform; however, it was unable to complete this process during the engagement period due to competing priorities and the time required to implement statutory changes.

Failure to advertise to the general public in a newspaper results in a lack of transparency of items available for sale and could result in available items going unused.

- The State Property Control Act (Act) (30 ILCS 605/8) requires the Department, upon request from a local governmental unit, to make available information as provided in Section 7 of the Act. Section 7 of the Act states that when the Department determines property is to be disposed of by sale, notices of inspection or viewing dates and property lists shall be distributed in the manner provided in rules and regulations promulgated by the Department.

The rules promulgated by the Department are in the Illinois Administrative Code (44 Ill. Admin. Code 5010.720), which requires notice of sales of transferable equipment to be given to local Illinois governments, Illinois school districts, and not-for-profit educational, charitable and public health organizations by means calculated to alert the largest number of prospective buyers. The notice of sales shall list items for sale, condition, price, terms of sale, and date and place of sale.

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2025-016. **FINDING** (Noncompliance with Statutory Mandates) – Continued

The Department failed to distribute notice of sales of transferable equipment to local Illinois governments, by means to alert the largest number of prospective buyers. During the engagement period, the Department shared general descriptions of items available on social media; however, it did not include a full listing of items for sale, condition, price, terms of sale, and date and place of sale.

The Department stated it has worked on distributing notice of sales of transferable equipment to local Illinois governments online; however, it was unable to complete this process during the engagement period due to competing priorities.

Failure to provide local Illinois governments notice of sales of transferable equipment that includes a listing of items for sale, condition, price, terms of sale, and date and place of sale results in a lack of transparency of items available for sale and could result in available items going unused.

- The State Agency Employees Child Care Services Act (Act) (30 ILCS 590/3) requires where a State agency enters into a contract to construct, acquire or lease all or a substantial portion of a building, in which more than 50 persons shall be employed, other than a renewal of an existing lease, after July 1, 1990 and where a need has been demonstrated, on-site child care services shall be provided for State employees. Furthermore, the Department is required to report on or before December 31 of each year to the Governor and the members of the General Assembly on the feasibility and implementation of a plan for the provision of comprehensive child care services. During our testing, we noted the Department did not have a record of the demonstration of the need for child care for the two buildings in which child care is currently being offered. Additionally, the Department did not timely submit the report on the feasibility and implementation of a plan for the provision of Comprehensive Child Care Services to the Illinois General Assembly by December 31, 2024. The report was submitted June 5, 2025, 156 days late. Further, there was no record of the annual report due December 31, 2024 being submitted to the Governor.

Department management stated the noted exceptions were due to turnover and oversight.

Failing to document the demonstration of need for child care could lead to providing services where it is not needed and wasting resources. Additionally, failure to submit the annual report by the required due date represents noncompliance with a statutory mandate.

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2025-016. **FINDING** (Noncompliance with Statutory Mandates) – Continued

- The Personnel Code (Code) (20 ILCS 415/9(6)) requires the Department by no later than January 2024, to authorize at least one if not more community colleges in the regions involving the counties of Cook, Lake, McHenry, Kane, DuPage, Kendall, Will, Sangamon, and 5 other geographically distributed counties within the State to pre-test and certify linguistic ability, and such certifications by candidates shall be presumed to satisfy the linguistic ability requirements for the job position.

The Department did not certify any community colleges to pre-test and certify linguistic ability.

Department management stated the issues noted were due to oversight.

Failure to authorize a community college to pre-test and certify linguistic ability may undermine the goal for inclusive hiring and cause delays in filling roles that have a linguistic ability certification as an eligibility requirement.

- The State Employee Group Insurance Act (Act) (5 ILCS 375/15(g)) requires audits and reports on the programs authorized and established by the Act prepared by the Director with the assistance of a qualified, independent accounting firm. The reports shall provide information on the experience, and administrative effectiveness and adequacy of the program including, when applicable, recommendations on up-grading of benefits and improvement of the program. The Act (5 ILCS 375/2) establishes a program of group life insurance, a program of health benefits and other employee benefits for persons in the service of the State of Illinois and certain of their dependents. The Act also establishes programs of health benefits (i) for certain benefit recipients of the Teachers' Retirement System of the State of Illinois and their dependent beneficiaries, (ii) for certain eligible retired community college employees and their dependent beneficiaries, and (iii) for employees of local governments, employees of rehabilitation facilities, employees of domestic violence shelters and services, and employees of child advocacy centers, and certain of their dependents.

There were no audits or reports performed on the programs authorized and established by the Act, which are required to be prepared by the Director with the assistance of a qualified independent accounting firm.

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SCHEDULE OF FINDINGS – CURRENT FINDING
For the Two Years Ended June 30, 2025

2025-016. **FINDING** (Noncompliance with Statutory Mandates) – Continued

Department management stated the requirement to review the experience and administrative effectiveness and adequacy of the program including, when applicable, recommendations on up-grading of benefits and improvement of the program is being completed by the Department; however, the staff lacked an understanding of the formal process for producing reports as required by the statute.

Failure to have the programs established by the Act be audited with assistance from a qualified, independent accounting firm prevents the Department from receiving valuable information on the experience and administrative effectiveness and adequacy of the programs which could result in a need to upgrade benefits and improvements to the program which the Department is not aware of.

- The State Finance Act (Act) (30 ILCS 105/12-2) requires the Department's Director to be a nonvoting member of the Travel Regulation Council (Council) unless they are otherwise qualified to vote by virtue of being the designee of a voting member.

During the engagement period, the Director served as a voting member on Council without receiving designation of a voting member. After the issue was brought to the Department's attention, the Director received formal designation on October 1, 2025.

Department management indicated the issue noted was a result of oversight.

Failure to formally designate the Director as a voting member of the Council could invalidate the vote and results in statutory noncompliance.

Noncompliance noted in the previous examination regarding the Illinois South Asian American Advisory Council Act (20 ILCS 4120) and the State Finance Act (30 ILCS 105/9.08) was not repeated due to the corrective action implemented by the Department within the examination period. Additionally, noncompliance with the Civil Administrative Code of Illinois 20 ILCS 405/405-130(b) was noted during the previous examination. This statute was repealed by Public Act 104-0435.

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2025-016. **FINDING** (Noncompliance with Statutory Mandates) – Continued

This finding was originally noted during the compliance examination for the two years ended June 30, 2019. In the subsequent examinations, the Department has not been successful in completely implementing corrective action. The Department's management team is responsible for implementing timely corrective action on all the findings identified during a State compliance examination. (Finding Code No. 2025-016, 2023-009, 2021-015, 2019-012)

RECOMMENDATION

We recommend the Department comply with the respective statutory requirements or seek legislative remedies as appropriate.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation and will take the necessary steps to comply with the respective statutory requirements or seek legislative remedies as appropriate.

STATE OF ILLINOIS
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SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2025

A. FINDING (Failure to Determine Premiums that Allow for Establishment of Actuarial Sound Reserve)

During the previous examination, the Department of Central Management Services (Department) failed to determine premiums that will allow for the establishment of an actuarially sound reserve for the Community College Health Insurance Program. Additionally, the Department failed to establish premiums for dependents that covered the balance of the rate of insurance.

During the current examination, the Community College Health Insurance Security Fund (Fund) had a net increase in net position totaling \$4.186 million. Although the Fund has a \$99.439 million fund deficit as of June 30, 2025, it appears the premiums established will allow for an actuarially sound reserve. Additionally, the Department established premiums for dependents that covered the balance of the rate of insurance. As a result of the improvements made, this finding was moved to the Department's *Report of Immaterial Findings*. (Finding Code No. 2023-001, 2022-001, 2021-001, 2019-002)

B. FINDING (Untimely Execution of Contracts)

During the previous examination, the Department did not obtain signed contracts from all vendors prior to commencement of services or receipt of goods.

During the current examination, the Department obtained signed contracts prior to commencement of services or receipt of goods. (Finding Code No. 2023-006)

C. FINDING (Weaknesses in Internal Control Over Travel)

During the previous examination, the Department did not maintain adequate controls over travel expenditures to ensure compliance with the Department's internal travel policies and the Illinois Administrative Code.

During the current examination, the Department made significant improvements in controls over travel expenditures to ensure compliance with the Department's internal travel policies and the Illinois Administrative Code. (Finding Code No. 2023-007)