STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL
Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
LOCAL GOVERNMENT HEALTH INSURANCE RESERVE FUND

Financial Audit
For the Year Ended June 30, 2025

Release Date: February 5, 2026

FINDINGS THIS AUDIT: 1			
	New	Repeat	Total
Category 1:	0	0	0
Category 2:	1	0	1
Category 3:	0	0	0
TOTAL	1	0	1
FINDINGS LAST AUDIT: 0			

AGING SCHEDULE OF REPEATED FINDINGS			
Repeated Since	Category 1	Category 2	Category 3
No Repeat Findings			

INTRODUCTION

This digest covers the Department of Central Management Services (Department), Local Government Health Insurance Reserve Fund financial audit as of and for the year ended June 30, 2025.

SYNOPSIS

- **(25-1)** The Department failed to maintain adequate general information technology controls related to its environment and applications.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
LOCAL GOVERNMENT HEALTH INSURANCE RESERVE FUND
FINANCIAL AUDIT
For the Year Ended June 30, 2025

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (in thousands)	Fiscal Year 2025	Fiscal Year 2024
OPERATING REVENUES		
Charges for sales or services	$ 34,626	$ 36,344
OPERATING EXPENSES		
Benefit payments and refunds	35,144	32,043
General and administrative	1,466	1,576
Total operating expenses	36,610	33,619
Operating income (loss)	(1,984)	2,725
NONOPERATING REVENUES (EXPENSES)		
Interest and investment income	453	424
Other revenues	36	12
Changes in Net Position	(1,495)	3,161
Net Position, July 1,	11,837	8,676
NET POSITION, JUNE 30	$ 10,342	$ 11,837

SELECTED ACCOUNT BALANCES (in thousands)	June 30, 2025	June 30, 2024
ASSETS		
Cash equity with State Treasurer	$ 10,571	$ 10,415
Cash and cash equivalents	943	1,338
Securities lending collateral equity with State Treasurer	1,511	2,017
Due from other Government - Federal	21	18
Due from other government - local	772	678
Other receivables, net	748	911
Total assets	$ 14,566	$ 15,377
LIABILITIES		
Accounts payable and accrued liabilities	$ 2,615	$ 1,426
Due to other State funds	18	22
Due to other government - Federal	6	21
Unearned revenue	32	13
Obligations under securities lending of the State Treasurer	1,511	2,017
Current Portion of Long-term obligations	40	-
Noncurrent portion of long-term obligations	2	41
Total liabilities	4,224	3,540
Net Position		
Unrestricted	10,342	11,837
Total Net Position	$ 10,342	$ 11,837

Participant Information	Fiscal Year 2025	Fiscal Year 2024
Number of local government entities participating	202	198
Approximate number of employees covered	1,678	1,636
Approximate number of dependents covered	1,083	1,064
Approximate number of retirees covered	61	60

AGENCY DIRECTOR
During Audit Period: Raven DeVaughn
Currently: Raven DeVaughn

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

FAILURE TO IMPLEMENT ADEQUATE INFORMATION TECHNOLOGY CONTROLS

The Department of Central Management Services (Department) failed to maintain adequate general information technology controls related to its environment and applications.

Auditors tested information technology general controls (ITGCs) for seven Department applications assessed to have a material impact to the Department's financial information. ITGCs help prevent unauthorized access, data breaches, and operational disruptions and include software implementation, user account creation, and data management. Strong ITGCs increase the integrity and reliability of information. Access provisioning steps were performed for each application.

Access Provisioning

We tested the Department's access provisioning procedures for a sample of 101 users across seven applications with a material impact to the Department's financial information. Our sample of 101 users was comprised of 71 existing users, 11 new-hired users, 17 terminated users and 2 administrative users. We noted the following exceptions:

Unneeded user access provisioning

- Five of 71 (7%) existing users' access to the application was not needed to perform their job responsibilities.

Separated employees defined as authorized users

- Eight of 17 (47%) users had separated from the Department but were still defined as authorized users in the tested application as of June 30, 2025.

Annual user access review of user access not performed

Lastly, the Department did not perform an annual review of user access for six of seven (86%) applications tested. The Department also did not perform an annual review of the Resource Access Control Facility (RACF) IDs. (Finding 1, pages 20-21)

We recommended the Department ensure users' access to its applications is appropriate based on job responsibilities, timely remove access for users who are no longer with the Department, and ensure user access reviews are performed on an annual basis. We further recommended the Department promptly terminate inappropriate and unnecessary user access and maintain documentation to support timeliness of changes to user access.

Department agreed

The Department agreed with the finding and recommendation and outlined a corrective action plan.

AUDITOR'S OPINION

The auditors stated the financial statements of the Department of Central Management Services, Local Government Health Insurance Reserve Fund as of and for the year ended June 30, 2025, are fairly stated in all material respects.

This financial audit was conducted by Sikich CPA LLC.

SIGNED ORIGINAL ON FILE

COURTNEY DZIERWA
Division Director

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

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FRANK J. MAUTINO
Auditor General

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