



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

CAPITAL DEVELOPMENT BOARD

State Compliance Examination
 For the Two Years Ended June 30, 2024

Release Date: March 4, 2025

FINDINGS THIS AUDIT: 8	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2022		24-1, 24-4, 24-6, 24-8	
Category 2:	0	8	8	2020		24-3, 24-5, 24-7	
Category 3:	0	0	0	2006		24-2	
TOTAL	0	8	8				
FINDINGS LAST AUDIT: 11							

INTRODUCTION

This digest covers the Capital Development Board’s (Board) State compliance examination for the two years ended June 30, 2024. A separate digest covering the Board’s financial audit as of and for the year ended June 30, 2024 was previously released on January 23, 2025. In total, this report contains eight findings, none of which were reported within the Board’s financial audit.

SYNOPSIS

- (24-2) The Board did not properly complete or perform employee performance evaluations in a timely manner.
- (24-4) The Board did not timely submit its vouchers for payment to the Comptroller’s Office and did not approve all interest due to vendors during the examination period. Additionally, the Board did not timely submit receipts for deposit into the State’s treasury.

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

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

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

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

WEAKNESSES IN PERFORMANCE OF EMPLOYEE EVALUATIONS

The Capital Development Board (Board) did not properly complete or perform employee performance evaluations in a timely manner.

Performance evaluations were not performed timely or were not performed at all

During our testing of the performance evaluations of 15 employees, we noted evaluations were not performed on a timely basis for two (13%) employees (3 instances). The evaluations were performed between 96 and 187 days late. In addition, we noted evaluations were not performed for seven (47%) employees tested (12 instances). (Finding 2, pages 13-14). **This finding has been reported since 2006.**

We recommended the Board review the annual evaluation process and ensure timely completion of annual performance evaluations for all employees. We further recommended immediate supervisors be held responsible for completing these on a timely basis.

Board accepted the recommendation

The Board accepted the recommendation and stated immediate supervisors have been made aware of the consequences for not completing these on a timely basis.

VOUCHER AND RECEIPT PROCESSING WEAKNESSES

The Board did not timely submit its vouchers for payment to the Comptroller's Office and approve all interest due to vendors during the examination period. Additionally, the Board did not timely submit receipts for deposit into the State's treasury.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning System (ERP) operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Board to determine whether certain key attributes were properly entered by the Board's staff into ERP. In order to determine the operating effectiveness of the Board'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 State's ERP System based on supporting documentation. For vouchers, 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. For receipts, the attributes tested were (1) amount, (2) fund being deposited into, (3) date of receipt, (4)

date deposited, and (5) Statewide Accounting Management System (SAMS) Source Code.

We then conducted an analysis of the Board's expenditures data for Fiscal Years 2023 and 2024 to determine compliance with the State Prompt Payment Act (Act) (30 ILCS 540) and the Illinois Administrative Code (74 Ill. Admin. Code 900.70) (Code). We noted the following noncompliance:

Board owed Prompt Payment interest

- The Board owed six vendors interest, totaling \$2,244 as of June 30, 2024, for Fiscal Year 2023; however, the Board had not approved these vouchers for payment to the vendor.

Vouchers not timely approved

- The Board did not timely approve of 658 of 7,602 (9%) vouchers processed during Fiscal Years 2023 and 2024, totaling \$115,108,987. We noted these vouchers were approved between 1 and 346 days late.

We conducted an analysis of the Board's receipt deposits for Fiscal Years 2023 and 2024 to determine compliance with the State Officers and Employees Money Disposition Act (30 ILCS 230). We noted the following noncompliance:

Receipts not timely deposited

- In Fiscal Year 2023, 16 of 777 (2%) receipts tested were not deposited timely. The total dollar amount of untimely receipts was \$1,412,620.
- In Fiscal Year 2024, 11 of 564 (2%) receipts tested were not deposited timely. The total dollar amount of untimely receipts was \$361,006. (Finding 4, pages 17-18)

We recommended the Board approve proper bills within 30 days of receipt, approve vouchers for payment of interest due to vendors, and ensure receipts are deposited timely.

Board accepted the recommendation

The Board accepted the recommendation and stated it will make every effort to approve proper bills within 30 days of receipt. In addition, the Board stated it will make every effort to timely review the prompt payment vouchers that are automatically generated in ERP to ensure they qualify for the interest and take proper actions if they do not. Lastly, the Board stated it will ensure receipts are deposited timely.

OTHER FINDINGS

The remaining findings pertain to Agency Workforce Reports, travel, filing of required reports, access control, cybersecurity programs and practices, and disaster recovery planning. We will review the Board's progress towards the implementation of our recommendations in our next examination.

AUDITOR'S OPINION

The auditors stated the financial statements of the Board as of and for the year ended June 30, 2024, are fairly stated in all material respects.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the Board for the two years ended June 30, 2024, as required by the Illinois State Auditing Act. The accountants stated the Board complied, in all material respects, with the requirements described in the report.

This State compliance examination 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.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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