



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, 2022

Release Date: May 3, 2023

FINDINGS THIS AUDIT: 11	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2020		22-4, 22-6, 22-7, 22-10	
Category 2:	6	5	11	2006		22-2	
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	6	5	11				
FINDINGS LAST AUDIT: 9							

INTRODUCTION

This digest covers the Capital Development Board’s (Board) State compliance examination for the two years ended June 30, 2022. A separate digest covers the Board’s financial audit as of and for the year ended June 30, 2022 was previously released on February 16, 2023. In total, this report contains 11 findings none of which were reported within the Board’s financial audit.

SYNOPSIS

- (22-2) The Board did not perform employee performance evaluations in a timely manner.
- (22-6) The Board had weaknesses in performing reconciliations of appropriations to the Illinois Office of Comptroller records.
- (22-9) The Board had not implemented adequate change management controls.

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 perform employee performance evaluations in a timely manner.

Evaluations not timely completed

During our testing of the performance evaluations of 12 employees, we noted evaluations were not performed on a timely basis for nine (75%) employees. The evaluations were performed between 47 and 385 days late. (Finding 2, page 12)
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 that immediate supervisors be held responsible for completing these on a timely basis.

Board agreed

The Board accepted the recommendation and stated it has made process improvements to ensure timely completion of annual performance evaluations for all employees.

**WEAKNESSES IN PERFORMING
RECONCILIATIONS**

The Board had weaknesses in performing reconciliations of appropriations to the Illinois Office of Comptroller records.

**Differences were not corrected in
Board records timely**

As a result of our testing of reconciliations performed by the Board we noted the Board had a total of \$1,425,524 in differences within the *Monthly Appropriation Status Report* (SB01) reconciliation as of September 30, 2022. While the Board was able to determine the nature of the differences, the Board did not timely correct the records for the noted differences. (Finding 6, pages 18-19)

We recommended the Board strengthen internal controls over monthly reconciliations to ensure they are performed in accordance with SAMS. In addition, we recommended the Board communicate with the Department of Innovation and Technology to correct reconciling items which should be written off in a timely manner.

Board agreed

The Board accepted the recommendation and stated it has cleared the old reconciling items.

INADEQUATE CHANGE MANAGEMENT CONTROLS

The Board had not implemented adequate change management controls.

Change control procedures not established

During our testing, we noted the Board had not established change control procedures, including authorization, testing and documentation requirements. (Finding 9, page 22)

We recommended the Board work with the Department of Innovation and Technology (DoIT) to obtain an understanding of each party's responsibilities. In addition, we recommended the Board establish change management procedures to ensure changes are adequately authorized, developed, tested and documented.

Board agreed

The Board accepted the recommendation and stated the Board is working with DoIT and gaining an understanding of each party's roles and responsibilities. In addition, the Board stated a change management practice has been adopted.

OTHER FINDINGS

The remaining findings pertain to Agency Workforce Reports, calculation of fringe benefits, travel, voucher processing, 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 State compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the Board for the two years ended June 30, 2022, 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 LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
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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