



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**ILLINOIS ARTS COUNCIL**

State Compliance Examination  
 For the Two Years Ended June 30, 2025

Release Date: March 31, 2026

FINDINGS THIS AUDIT: 10	AGING SCHEDULE OF REPEATED FINDINGS			
	Repeated Since	Category 1	Category 2	Category 3
Category 1:	2023	25-01	25-06	
Category 2:	2021		25-07, 25-08	
Category 3:	2019	25-02		
TOTAL	2007		25-05	
FINDINGS LAST AUDIT: 7				

**SYNOPSIS**

- (25-01) The Illinois Arts Council’s (Council) internal controls over its voucher processing function were not operating effectively during the examination period.
- (25-02) The Council did not perform monthly reconciliations.
- (25-05) The Council failed to adopt formal rules, including rules related to grant procedures.

**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**

**VOUCHER PROCESSING INTERNAL CONTROLS  
NOT OPERATING EFFECTIVELY**

The Council's internal controls over its voucher processing function were not operating effectively during the examination period.

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, we were able to limit our voucher testing at the Council to determine whether certain key attributes were properly entered by the Council's staff into the ERP.

**21 of 140 (15%) attributes were not properly entered into the ERP System resulting in qualified opinion**

Our testing noted 21 of 140 (15%) attributes were not properly entered into the ERP System. Therefore, the Council's internal controls over voucher processing **were not operating effectively**.

Due to this condition, we qualified our opinion because we determined the Council had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Even given the limitations noted above, we conducted an analysis of the Council's expenditures data for fiscal years 2024 and 2025 and noted the following:

**463 vouchers were approved between 31 to 150 days after receipt of a proper bill**

- The Council did not timely approve 463 of 3,339 (14%) vouchers processed during the examination period, totaling \$12,333,228. We noted these vouchers were approved between 31 and 150 days after receipt of a proper bill or other obligating document.
- Three of 35 (9%) vouchers tested, totaling \$11,872, did not have adequate supporting documentation such as invoices and billings. (Finding 1, pages 11-12)

We recommended the Council design and maintain internal controls to provide assurance its data entry of key attributes into ERP is complete and accurate. Further, we recommended the Council timely approve proper bills and obligations due and maintain adequate supporting documentation for vouchers processed.

**Council accepted finding**

The Council accepted the finding and indicated it has reviewed and established procedures to ensure voucher processing functions are in place.

## MONTHLY RECONCILIATIONS NOT PERFORMED

The Council did not perform monthly reconciliations.

During our testing of Fiscal Year 2024 and 2025 reconciliations, we noted the Council did not perform:

### **Failure to perform monthly cash, appropriations, obligation, and contract reconciliations**

- Twenty-three of 28 (82%) monthly reconciliations with the Comptroller's Monthly Appropriations Status Report (SB01).
- Monthly reconciliations with the Comptroller's Monthly Revenue Status Report (SB04).
- Monthly reconciliations with the Comptroller's Monthly Cash Report (SB05). The Illinois Arts Council Federal Grant Fund (Fund 657) had balances reported by the Comptroller of \$28,227 and \$37,361 as of June 30, 2024, and June 30, 2025, respectively.
- Twenty-five of 28 (89%) monthly reconciliations with the Comptroller's Monthly Agency Contract Report (SC14) or Obligation Activity Report (SC15). (Finding 2, page 13-14) **This finding has been reported since 2019.**

We recommended the Council reconcile its records to the Comptroller's reports in accordance with the SAMS.

### **Council accepted finding**

The Council accepted the finding.

## FAILURE TO ADOPT FORMAL RULES FOR THE AGENCY AND GRANT PROCEDURES

### **Failure to adopt Council rules**

The Council failed to adopt formal rules, including rules relating to grant procedures. The Council's grant expenditures were \$27,681,913 and \$23,504,110 for Fiscal Years 2024 and 2025, respectively. (Finding 5, page 19) **This finding has been reported since 2007.**

We recommended the Council complete drafting organizational rules and grant procedures, and work with the Joint Committee on Administrative Rules for assistance with the formal adoption process.

### **Council accepted finding**

The Council accepted the finding.

## OTHER FINDINGS

The remaining findings are reportedly being given attention by Council personnel. We will review the Council'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 Council for the two years ended June 30, 2025, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2025-001 through 2025-004. Except for the noncompliance described in these findings, the accountants stated the Council complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by West & Co., LLC.

**SIGNED ORIGINAL ON FILE**

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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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