



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

Christopher B. Meister, Auditor General

**SUMMARY REPORT DIGEST**

**DEPARTMENT OF CENTRAL MANAGEMENT SERVICES**

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

Release Date: May 19, 2026

FINDINGS THIS AUDIT: 16				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
<b>Category 1:</b>	<b>0</b>	<b>1</b>	<b>1</b>	2021		25-13	
<b>Category 2:</b>	9	6	15	2019	<b>25-1</b>	25-3, 25-9, 25-16	
<b>Category 3:</b>	<u>0</u>	<u>0</u>	<u>0</u>	2013		25-2	
<b>TOTAL</b>	<b>9</b>	<b>7</b>	<b>16</b>	2006		25-5	
<b>FINDINGS LAST AUDIT: 10</b>							

**INTRODUCTION**

This digest covers the Department of Central Management Services' (Department) compliance examination for the two years ended June 30, 2025.

**SYNOPSIS**

- **(25-1)** The Department entered into interagency agreements that failed to adhere to provisions of the Fiscal Control and Internal Auditing Act.
- **(25-2)** The Department failed to conduct employee evaluations on a timely basis.
- **(25-3)** The Department demonstrated weaknesses related to personal services.

<b>Category 1:</b> Findings that are <b>material weaknesses</b> in internal control and/or a <b>qualification</b> on compliance with State laws and regulations (material noncompliance).
<b>Category 2:</b> Findings that are <b>significant deficiencies</b> in internal control and <b>noncompliance</b> with State laws and regulations.
<b>Category 3:</b> Findings that have <b>no internal control issues but are in noncompliance</b> with State laws and regulations.

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**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 (Act).

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:

**Agreements resulted in agencies not maintaining their own internal audit functions**

- The IFA and IDOA 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.

**Governor's approval not obtained**

- 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

**Reimbursement arrangements were not consistently established**

- The Department inconsistently established reimbursement arrangements for these agreements and did not follow any of the reimbursement arrangements in the interagency agreements. (Finding 1, pages 10-14) **This finding has been reported since 2019.**

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

**Department accepted recommendations**

The Department accepted the finding and recommendations and outlined its corrective action plan.

### **FAILURE TO CONDUCT YEARLY PERFORMANCE APPRAISALS**

The Department failed to conduct employee evaluations on a timely basis.

**Performance appraisals not conducted in accordance with rules and personnel policies**

During testing of 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. (Finding 2, pages 15-16) **This finding has been reported since 2013.**

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

**Department accepted recommendation**

The Department accepted the finding and recommendation and outlined its corrective action plan.

### **INTERNAL CONTROL WEAKNESSES OVER PERSONAL SERVICES**

The Department demonstrated weaknesses related to personal services.

During testing, we noted the following:

**Overtime worked without prior approval and documentation**

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

**Timesheets not submitted timely**

- 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.

**Annual Sexual Harassment and Ethics trainings not completed**

- During our testing of employee training requirements for 60 employees, 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. (Finding 3, pages 17-19) **This finding has been reported since 2019.**

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

**Department accepted recommendations**

The Department accepted the finding and recommendations and outlined its corrective action plan.

**OTHER FINDINGS**

The remaining findings are reportedly being given attention by Department personnel. We will review the Department'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 Department 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 Finding 2025-001. Except for the noncompliance described in this finding, the accountants stated the Department 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**

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COURTNEY DZIERWA  
Division Director

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

**SIGNED ORIGINAL ON FILE**

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CHRISTOPHER B. MEISTER  
Auditor General

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