



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

PROCUREMENT POLICY BOARD

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

Release Date: November 13, 2025

FINDINGS THIS AUDIT: 6				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	2	3	2022	24-2	24-4, 24-6	
Category 2:	0	3	3	2020		24-5	
Category 3:	0	0	0	2018	24-1		
TOTAL	1	5	6				
FINDINGS LAST AUDIT: 8							

SYNOPSIS

- (24-01) The Procurement Policy Board's (Board) internal controls over its voucher processing function were not operating effectively during the examination period.
- (24-02) The Board did not exercise adequate controls over the recording and reporting of State Property.

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

INADEQUATE CONTROLS OVER VOUCHER PROCESSING

The Procurement Policy Board's (Board) 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 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 the 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 based on supporting documentation. 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.

ERP attributes not properly entered into the system

Our testing noted 21 of 140 (15%) attributes and 2 of 160 (1%) vouchers were not properly entered into the ERP. Therefore, the Board's internal controls over voucher processing **were not operating effectively.**

Even given the limitations noted above, we conducted an analysis of the Board's expenditure data for Fiscal Year 2023 and Fiscal Year 2024 and noted the following noncompliance:

Vouchers approved late

- The Board did not timely approve 27 of 160 (17%) vouchers processed during the examination period, totaling \$46,182. The vouchers were approved between 31 and 85 days after receipt of a proper bill or other obligating document.

Vouchers processed with incorrect object codes

- For 8 of 35 (23%) vouchers tested, totaling \$1,219, the Board did not utilize the correct detail expenditure (object) codes (Finding 1, pages 8-10). **This finding has been reported since 2018.**

We recommended the Board design and maintain internal controls to provide assurance its data entry of key attributes into the ERP system is complete and accurate. Further, we recommended the Board approve proper bills within 30 days of receipt and utilize appropriate detail expenditure (object) codes.

The Board accepted the recommendation

The Board agreed with this recommendation.

INADEQUATE CONTROLS OVER STATE PROPERTY

The Board did not exercise adequate controls over the recording and reporting of State property.

During testing we noted the following:

Redundant use of multiple property tracking systems and failure to update all timely

- The Board utilizes three property tracking systems, one in the Enterprise Resource Planning System (ERP), one in an Excel sheet, and one in an Access database. The Board failed to maintain consistency among the three listings leading to missing items and combined assets that resulted in different asset counts. Seven items were included in the Access database but not on the ERP listing. In addition, fifteen items were combined on the ERP listing but separate in the Access database.

Overstatement of Board Assets

- The Board included six items on their property listing that were not property of the Board causing an overstatement of Board assets totaling \$4,042.

Lost item included on the annual certification of inventory

- The Board included a lost item, totaling \$114, on its annual certifications of inventory filed with Department of Central Management Services (CMS) during Fiscal Year 2023 and Fiscal Year 2024.

Failure to report items of high theft

- Five items, totaling \$1,217, classified as high theft according to the Board's High Theft Policy were not reported on the quarterly Agency Report of State Property.

Lack of support for deletions

- During deletions testing, auditors were unable to determine which items were deleted during the period. The Board's third quarter C-15 Form for Fiscal Year 2023 indicated \$3,546 of inventory was deleted. The Board was not able to provide support to show which items were deleted.

Item unable to be located

- During list to floor testing, we noted 1 of 12 (8%) items selected for testing, totaling \$100, could not be located.

Obsolete or unused equipment items not transferred to CMS

- Nineteen obsolete or unused equipment items, totaling \$7,479, had not been transferred to CMS. (Finding 2, pages 11-12).

We recommended the Board strengthen its internal controls over State property by regularly reviewing the Board's property listing, including recent equipment transactions, to ensure it is complete and accurate.

The Board accepted the recommendation

The Board agreed with the recommendation.

OTHER FINDINGS

The remaining findings pertain to inadequate controls over personal services, cybersecurity, reporting requirements, and census data. 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, 2024, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2024-001 through 2024-003. Except for the noncompliance described in these findings, the accountants stated the Board complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by the Office of the Auditor General's staff.

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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