



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
TEACHER HEALTH INSURANCE SECURITY FUND

Financial Audit
For the Year Ended June 30, 2022

Release Date: April 6, 2023

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	No Repeat Findings			
Category 2:	1	0	1				
Category 3:	0	0	0				
TOTAL	1	0	1				
FINDINGS LAST AUDIT: 0							

This digest covers the Department of Central Management Services (Department), Teacher Health Insurance Security Fund’s financial audit as of and for the year ended June 30, 2022.

SYNOPSIS

- (22-1) The Department did not have sufficient controls over their change management 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.

**DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
TEACHER HEALTH INSURANCE SECURITY FUND
FINANCIAL AUDIT
For the Year Ended June 30, 2022**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (in thousands)	FY 2022	FY 2021
Additions		
Contributions		
Employer.....	\$ 78,669	\$ 101,328
State.....	106,576	137,436
Active Plan Member.....	106,576	137,436
Federal Government Medicare Part D.....	436	1,648
Consolidated Omnibus Budget Reconciliation Act (COBRA).....	46	96
Total Contributions.....	<u>292,303</u>	<u>377,944</u>
Investment Income.....	143	51
Total Additions.....	<u>292,446</u>	<u>377,995</u>
Deductions		
Benefit Payments and Refunds.....	217,842	244,045
General and Administrative Expenses.....	9,220	9,526
Total Deductions.....	<u>227,062</u>	<u>253,571</u>
Net Additions (Deductions).....	65,384	124,424
Unrestricted Net Position		
Beginning of Year.....	313,246	188,822
End of Year.....	\$ 378,630	\$ 313,246
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (expressed in thousands) (Unaudited)		
	June 30, 2022	June 30, 2021
Total OPEB Liability- Beginning.....	\$ 22,368,622	\$ 26,924,735
Net Change in Total OPEB Liability	\$ (15,145,302)	\$ (4,556,114)
Total OPEB Liability- Ending.....	\$ 7,223,320	\$ 22,368,621
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability.....	5.24%	1.40%
PARTICIPANT INFORMATION		
	FY 2022	FY 2021
Inactive plan members currently receiving benefit payments.....	65,908	65,935
Inactive plan members entitled to but not yet receiving benefit payments.....	37,513	37,596
Active members.....	153,834	157,123
Total.....	<u>257,255</u>	<u>260,654</u>
Number of participating employers.....	979	979
Number of nonemployer contributing entities.....	1	1
AGENCY DIRECTOR		
During Audit Period: Janel Forde (7/1/21 - 6/12/22), Anthony Pascente (Acting) (6/13/22 - 1/20/23), Raven DeVaughn (Acting) (1/21/23 - Present)		
Currently: Raven DeVaughn (Acting)		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER CHANGE
MANAGEMENT**

The Department of Central Management Services (Department) did not have sufficient controls over their change management procedures.

Complete and accurate population of application changes could not be provided

Change control is the systematic approach to managing changes to an IT environment, applications, or data. The purpose is to prevent unnecessary and/or unauthorized changes, ensure all changes are documented, and minimize any disruptions due to system changes. The Department was unable to provide a complete and accurate population of changes for applications maintained by the Department; therefore, we were unable to perform any testing of the internal controls over changes to the applications and data. (Finding 1, pages 24-25)

We recommended the Department implement controls in order to track the changes made to their applications and data.

Department agreed

The Department agreed with the finding and stated it will work with the Department of Innovation and Technology (DoIT) to obtain the information needed to implement the controls necessary for tracking changes made to its applications.

AUDITOR'S OPINION

The auditors stated the financial statements of the Department of Central Management Services, Teacher Health Insurance Fund as of and for the year ended June 30, 2022, are fairly stated in all material respects.

This financial audit 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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