



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**DEPARTMENT OF CENTRAL MANAGEMENT SERVICES**  
**University Benefits Schedules**

Compliance Examination  
 For the Year Ended June 30, 2021

Release Date: December 15, 2021

FINDINGS THIS AUDIT: 1	New	Repeat	Total	AGING SCHEDULE OF REPEATED FINDINGS			
				Repeated Since 2020	Category 1	Category 2	Category 3
<b>Category 1:</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>21-1</b>	
<b>Category 2:</b>	<b>0</b>	<b>1</b>	<b>1</b>				
<b>Category 3:</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>1</b>				
<b>FINDINGS LAST AUDIT: 1</b>							

**INTRODUCTION**

The Department of Central Management Services pays for the group insurance costs for certain university employees on behalf of all State-operated universities in Illinois. At the end of each fiscal year, the Department prepares the University Benefits Schedules that summarize exempt and non-exempt employees and exempt and non-exempt funding. These amounts are utilized in the universities' fiscal year financial reporting. The State Comptroller also uses these amounts to determine allocations of special funding situations for the universities.

**SYNOPSIS**

- (21-01) The Department used inaccurate data during the calculation of the University Benefit Schedules.

**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**

**INACCURATE DATA USED FOR THE CALCULATION OF THE UNIVERSITY BENEFITS SCHEDULES**

During our examination of the University Benefit Schedules (UBS) for the year ended June 30, 2021, we noted errors in the data used by the Department of Central Management Services (Department), resulting in misstatements of the estimated cost of health insurance benefits paid on-behalf of State Universities.

Errors in the data used included the following:

**\$50,791 in payments entered in error**

- During our testing of non-exempt contributions, we noted \$50,791 in payments were entered into the Benefits Retirement System in error for Western Illinois University (WIU). Two checks were entered into the Benefits Retirement System twice, resulting in a \$50,791 overstatement of non-exempt contributions and understatement in benefits paid on-behalf of WIU.

These errors were determined not to be material to the UBS; therefore, the Department did not adjust the UBS.

**Enrollment data from incorrect time period used**

- During our testing of the average enrolled State Employee Group Insurance Program employees of the State universities, we noted the Department used enrollment data from January 2020 instead of January 2021 in calculating the total average employees, resulting in the following errors:

<u>University</u>	<u>Total Employees</u>	<u>Estimated Exempt Employees</u>	<u>Est Exempt Funding</u>	<u>Total Est Contributions</u>
Chicago State Univ	1	1	\$ 22,599	\$ 22,599
Eastern Illinois Univ	(2)	(2)	(45,199)	(45,199)
Governors State Univ	(3)	(3)	(67,798)	(67,798)
Northeastern Illinois Univ	3	3	67,798	67,798
Western Illinois Univ	5	5	112,997	112,997
Northern Illinois Univ	13	13	293,793	293,793
Southern Illinois Univ	2	2	45,199	45,199
University of Illinois	(57)	(57)	(1,288,168)	(1,288,168)
UofI Foundation	(1)	-	-	-
<b>Total</b>	<u>(39)</u>	<u>(38)</u>	<u>\$ (858,779)</u>	<u>\$ (858,779)</u>

The Department updated the UBS for these errors. (Finding 1, pages 7-8)

We recommended the Department ensure the preparation of the UBS is based on accurate and reliable data.

**Department agreed**

The Department agreed with the finding and recommendation and stated it will continue to enhance its internal controls to help ensure UBS is based on accurate and reliable data.

**ACCOUNTANT'S OPINION**

The accountants conducted a compliance examination of management's assertions regarding the University Benefits Schedules for the year ended June 30, 2021. The accountants stated the Department complied, in all material respects, with the requirements described in the report.

This 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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