



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, 2022

Release Date: December 14, 2022

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
				2020		22-1	
<b>Category 1:</b>	<b>0</b>	<b>0</b>	<b>0</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 (Department) 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 Office of Comptroller also uses these amounts to determine allocations of special funding situations for the universities.

**SYNOPSIS**

- (21-01) There were errors in the data used by the Department to compile the University Benefits Schedules, resulting in misstatements of the estimated cost of health insurance benefits paid on-behalf of State Universities.

<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**

**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, 2022, 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.

During our testing of monthly non-exempt contribution payments, we noted:

- One of 16 (6%) non-exempt contributions tested was understated. Northeastern Illinois University non-exempt contributions were understated by \$26,812, which resulted in an overstatement of estimated exempt funding of \$26,812.
- One of 16 (6%) non-exempt contributions tested was overstated. University of Illinois Springfield non-exempt contributions were overstated by \$588, which resulted in an understatement of estimated exempt funding of \$588.

**Understatement of non-exempt contributions and overstatement of estimated exempt funding of \$26,224**

The errors noted resulted in a net understatement of non-exempt contributions by \$26,224 and a net overstatement of estimated exempt funding by \$26,224. These errors were determined not to be material to the UBS; therefore, the Department did not adjust the UBS. (Finding 1, pages 7-8). **This finding has been reported since 2020.**

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

**Department officials agreed with our recommendation**

Department officials agreed with our recommendation and stated that during the reporting period, they continued to have staffing vacancies that resulted in limited review and oversight. Department officials also stated they continue to develop processes and procedures to ensure accurate and reliable data is used in the preparation of the UBS. Additionally, Department officials stated that the Department, in conjunction with the Department of Innovation and Technology and a third-party vendor, is implementing a new reporting system that will replace the database system that is currently used.

**ACCOUNTANT'S OPINION**

The accountants conducted a compliance examination of management's assertions regarding the University Benefits Schedules for the year ended June 30, 2022. 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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