



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

**OFFICE OF THE COMPTROLLER
 FISCAL OFFICER RESPONSIBILITIES**

**Compliance Examination
 For the Year Ended June 30, 2020**

Release Date: January 20, 2021

FINDINGS THIS AUDIT: 1	New	Repeat	Total	AGING SCHEDULE OF REPEATED FINDINGS			
				Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	1	1	2009	20-1		
Category 2:	0	0	0				
Category 3:	0	0	0				
TOTAL	0	1	1				
FINDINGS LAST AUDIT: 1							

INTRODUCTION

This digest covers the Office of the Comptrollers Fiscal Officer Responsibilities Compliance Examination for the year ended June 30, 2020. The Office of the Comptroller Fiscal Officer Responsibilities Financial Audit as of and for the year ended June 30, 2020 was previously released on December 22, 2020.

SYNOPSIS

- (20-1) The Office of the Comptroller did not make all statutorily mandated transfers between State funds within established timeframes, as required.

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.

OFFICE OF THE STATE COMPTROLLER - STATE OF ILLINOIS
FISCAL OFFICER RESPONSIBILITIES
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2020

FINANCIAL HIGHLIGHTS (Not Examined)	FY 2020	FY 2019
Interest Vouchered on Late Vendor Payments		
Department of Central Management Services.....	\$ 34,841,282	\$ 61,016,123
Department of Central Management Services*.....	48,271,443	63,716,892
Department of Innovation and Technology.....	31,043,734	1,344,222
Department of Healthcare and Family Services.....	22,571,592	19,886,868
Department of Corrections.....	2,553,196	11,442,336
Department of Human Services.....	225,654	9,312,742
All Other.....	767,260	8,073,929
Total Interest Paid.....	\$ 140,274,161	\$ 174,793,112

* Late interest penalties pursuant to the provisions of the Group Health Insurance Code (215 ILCS 5/368a)

STATE COMPTROLLER

During Engagement Period: Honorable Susana Mendoza

Currently: Honorable Susana Mendoza

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**LATE PAYMENT OF STATUTORILY MANDATED
TRANSFERS**

The Office of the Comptroller (Office) did not make all statutorily mandated transfers between State funds within established timeframes, as required.

Late payments made for inter-fund transfers totaling \$999.4 million were made after June 30, 2020

The Office processed transfers from 31 to 443 days after the mandated transfer date. The late transfers outstanding as of and paid after June 30, 2020 totaled \$999.4 million. The Office also made 203 late transfers, totaling \$1.54 billion, between State funds that were made between one and 30 days after the statutorily mandated transfer date. Lastly, we noted 330 late transfers, totaling \$2.209 billion, which were still outstanding as of November 13, 2020, relating to fiscal year 2019, fiscal year 2018, and fiscal year 2017. (Finding 1, pages 10-11) **This finding was first reported in 2009.**

We recommended the Office make transfers within timeframes established by applicable statute. While we realize that the lack of available funds in the State Treasury requires prioritization and cash management decisions, we recommended the Comptroller continue in its efforts to make transfers in as timely a manner as possible.

Office accepts the recommendation

Office officials accepted the recommendation and stated on December 10, 2020, the State had a backlog of \$7.8 billion in unpaid bills and \$1.43 billion owed in fiscal year 2021 for short term borrowing. Unfortunately, due to these continued fiscal constraints, the timely transfer of funds will not be able to be made before prioritized payments and debt payments.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Comptroller, Fiscal Officer Responsibilities for the year ended June 30, 2020, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2020-001. Except for the noncompliance described in this finding, the accountants stated the Comptroller 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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