



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**GOVERNOR’S OFFICE OF MANAGEMENT AND BUDGET**

Compliance Examination  
 For the Two Years Ended June 30, 2021

Release Date: March 17, 2022

FINDINGS THIS AUDIT: 2	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	1	0	2019	21-1	21-2	
Category 2:	0	1	0				
Category 3:	0	0	0				
TOTAL	0	2	0				
FINDINGS LAST AUDIT: 7							

**SYNOPSIS**

- **(21-01)** The Governor’s Office of Management and Budget (Office) did not have adequate controls over accounts receivable billing and reporting.

**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.

**GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2021**

<b>EXPENDITURE STATISTICS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Total Expenditures.....</b>	<b>\$ 565,663,478</b>	<b>\$ 523,893,791</b>	<b>\$ 534,194,347</b>
OPERATIONS TOTAL.....	\$ 10,830,681	\$ 11,618,037	\$ 11,163,381
% of Total Expenditures.....	1.9%	2.2%	2.1%
Personal Services.....	3,941,617	3,584,838	2,738,934
Other Payroll Costs (FICA, Retirement).....	2,111,443	1,765,691	1,444,552
All Other Operating Expenditures.....	4,777,621	6,267,508	6,979,895
DEBT SERVICE.....	\$ 554,832,797	\$ 512,275,754	\$ 523,029,652
% of Total Expenditures.....	98.1%	97.8%	97.9%
PERMANENT IMPROVEMENTS.....	\$ -	\$ -	\$ 1,314
% of Total Expenditures.....	0.0%	0.0%	0.0%
<b>Total Receipts.....</b>	<b>\$ 64,984,702</b>	<b>\$ 38,623,937</b>	<b>\$ 49,603,678</b>
<b>Average Number of Employees.....</b>	<b>59</b>	<b>54</b>	<b>48</b>

<b>AGENCY DIRECTOR</b>
During Examination Period: Alexis Sturm
Currently: Alexis Sturm

## **FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS**

### **INADQUATE CONTROLS OVER ACCOUNTS RECEIVABLE**

The Governor's Office of Management and Budget (Office) did not have adequate controls over accounts receivable billing and reporting.

During our testing of accounts receivable, we noted the following:

- The Office's Grant Accountability and Transparency Act/Budgeting for Results billings for the fourth quarter of Fiscal Years 2020 and 2021 totaling \$1,419,316 and \$1,435,901, respectively, were not sent to State agencies until August 2020 and 2021, respectively, and these billings were not included in the Form C-97 and Form C-98 submitted to the Comptroller. This resulted in an understatement of reported accounts receivable as of June 30, 2020 and 2021 in relation to this quarter billing.

**Accounts receivable was understated**

- The Office had receivable balances for 115 State agencies as of Fiscal Years 2020 and 2021. We tested 19 receivable accounts for the two fiscal years and noted for seven (37%) samples tested, agency payments near year-end were not applied in the proper fiscal year resulting in an overstatement in the accounts receivable balance totaling \$10,185 and \$16,085 for Fiscal Years 2020 and 2021, respectively. (Finding 1, pages 9-10)

**Agency payments near year end were not applied in the proper fiscal year**

We recommended the Office implement the necessary internal controls to consistently and accurately report accounts receivable.

Office officials accepted the recommendation.

### **OTHER FINDING**

The remaining finding pertains to noncompliance with provisions of the Grant Accountability and Transparency Act regarding program specific exceptions and exemptions. We will review the Office's progress towards the implementation of our recommendations in our next compliance examination.

**Office accepted the recommendation**

## **ACCOUNTANT'S OPINION**

The accountants conducted a compliance examination of the Office for the two years ended June 30, 2021, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2021-001. Except for the noncompliance

described in this finding, the accountants stated the Office complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by Adelfia LLC.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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