State of Illinois
Office of the
Auditor General
William G. Holland, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS POWER AGENCY

FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Year Ended: June 30, 2013

Release Date: July 31, 2014

Summary of Findings:

Total this audit:	**23**
Total last audit:	**17**
Repeated from last audit:	**12**

SYNOPSIS

- The Agency's financial statements contained inaccuracies, which would have resulted in a material misstatement if not corrected.
- The Agency did not comply with statutory limitations on fund transfers from the Trust Fund to the Operations Fund.
- The Agency lacked controls to properly record receivables and ensure the accuracy of Alternative Compliance Payments remitted by Alternative Retail Electric Suppliers.
- State laws and regulations in accounting for the Agency's expenditures from the Renewable Energy Resources Fund were not complied with.
- A Resource Development Bureau was not established within the Agency as required by its enabling statute.
- Appropriations within the Illinois Power Agency Trust Fund were not properly used.
- The Agency did not properly approve contracts.
- The Agency filed late contracts with the State Comptroller and failed to adequately file late affidavits for those late contracts.
- The Agency filed an emergency purchase affidavit for a purchase which was not an emergency.
- The Agency maintained inadequate controls over the collecting and reporting of accounts receivable.

{Financial Information and Activity Measures are summarized on the reverse page.}

ILLINOIS POWER AGENCY
FINANCIAL AUDIT and COMPLIANCE EXAMINATION
For the Year Ended June 30, 2013

EXPENDITURE STATISTICS	2013	2012
Total Expenditures	**$ 1,106,156**	**$ 28,478,600**
APPROPRIATED OPERATIONS TOTAL	$ 1,106,156	$ 3,614,670
% of Total Expenditures	100.0%	12.7%
Interfund Cash Transfer of Investment Income	36,324	-
Ordinary and Contingent Expenses of the Agency	1,069,832	3,614,670
NON-APPROPRIATED OPERATIONS TOTAL	$ -	$ 24,863,930
% of Total Expenditures	0.0%	87.3%
Interfund Cash Transfer	-	24,863,930
Total Receipts	**$ 2,437,036**	**$ 2,840,738**
Average Number of Employees (unaudited)	**5**	**3**

STATEMENT OF NET POSITION (in thousands)	2013	2012 (restated)
ASSETS		
Cash equity in State Treasury	$ 21,333	$ 40,476
Securities lending collateral equity of State Treasurer	-	1,944
Investments	28,335	-
Prepaid Expenses	-	87
Due from other State funds	-	3,353
Other receivables, net	39,467	4,702
Total assets	89,135	50,562
LIABILITIES		
Accounts payable and accrued liabilities	757	1,683
Obligations under securities lending of State Treasurer	-	1,944
Due to other State funds	3	-
Long term obligations	11	6
Total liabilities	771	3,633
NET POSITION		
Nonexpendable restricted net position	28,505	25,365
Expendable restricted net position	53,196	14,912
Unrestricted net position	6,663	6,652
Total net position	$ 88,364	$ 46,929

AGENCY DIRECTOR	
During Examination Period:	Arlene Juracek (Acting) (October 11, 2011 through March 15, 2013)
	Anthony Star (effective March 16, 2013)
Currently: Anthony Star	

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

NEED TO IMPROVE FINANCIAL STATEMENT REPORTING

Inaccuracies in financial statements

The Illinois Power Agency's (Agency) financial statements contained inaccuracies. These problems, if not corrected, would have resulted in a material misstatement.

Financial audit was temporarily suspended

During testing, we temporarily suspended the audit of the financial statements in February 2014 due to the number of significant errors noted, some of which are noted below:

Alternative Compliance Payment revenue was not properly recognized

Errors in FY12 and FY13 were $1,047,226 and $30,624,972, respectively

- The Agency did not appear to have properly recognized revenue for Alternative Compliance Payments (ACPs) received and processed by the Illinois Commerce Commission totaling $1,047,226 and $30,624,972 at June 30, 2012, and June 30, 2013, respectively.
- The Agency understated its accounts receivable at June 30, 2013, totaling $382,346 for ACPs.
- The Agency recorded transactions related to FY 2012 activity, totaling $92,192, in the Agency's FY 2013 records.

The preceding matters noted were in addition to the following matters already encountered and resolved prior to February 2014, as noted below:

- The Agency recorded assets and liabilities that did not exist at June 30, 2013, in the Illinois Power Agency Trust Fund, totaling $26.835 million and $1.944 million, respectively. This was corrected by the State Comptroller before February 2014.
- The Agency did not record or disclose any liabilities or contingent liabilities for contracts to purchase renewable energy between June 2013 and May 2014. After notification from the auditors, the Agency contacted the suppliers to obtain this information in the Agency's financial records and statements in October 2013.

During discussions with the Agency's management and external consultants, the auditors and the Agency agreed to the following steps to prepare auditable financial statements:

- The Agency would review every transaction recorded during FY 2013 to check whether the transaction was properly entered into the Agency's records.

- The Agency would perform reconciliations of the Agency's cash, expenditures, and receipts to the records of the State Comptroller and explain all reconciling items.

Revised financial statements were provided to the auditors in March 2014

The Agency provided revised financial information to the auditors in March 2014. The Agency recorded 17 adjusting journal entries to correct errors they discovered within their financial records during this review. During testing of the Agency's revised records, the auditors still noted the following errors and misstatements:

There were still errors and misstatements in the revised financial records

- The Agency's opening balances for the current year did not agree with the closing balances reported in the FY 2012 financial statements. The auditors identified an adjusting journal entry from the prior year that was posted by the Agency in the wrong period totaling \$86,567. This adjusting entry proposed by the auditors was corrected by the Agency in its financial records.

- The Agency's beginning balance for unavailable revenue related to ACPs in FY 2012 was overstated by \$1,047,226. The auditors proposed an adjusting entry to correct this error, which the Agency recorded in its financial statements.

Material adjustments were made to the financial statements

- The Agency did not comply with statutory limitations on fund transfers from the Illinois Power Agency Trust Fund to the Illinois Power Agency Operations Fund. The auditors proposed an adjusting entry to correct this error of \$997,827, which the Agency recorded in its financial statements.

- The Agency did not properly calculate its outstanding liabilities due to vendors for prompt payment interest not paid in prior years, overstating its liability by \$48,620. The auditors proposed an adjusting entry to correct this error which the Agency recorded in its financial statements. (Finding 1, pages 15-18)

We recommended the Agency enhance its accounting and financial reporting procedures to ensure its accounting records are accurate and allow for the accurate preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

Agency agreed with auditors

Agency management agreed with the finding and stated that they have already implemented corrective action to address this finding.

NEED TO COMPLY WITH THE INVESTMENT INCOME TRANSFER LIMITATIONS OF THE STATE FINANCE ACT

Noncompliance with statutory limitations on fund transfers

The Agency did not comply with statutory limitations on fund transfers from the Illinois Power Agency Trust Fund (Trust Fund) to the Illinois Power Agency Operations Fund (Operations Fund).

During FY 2008, electric generating utilities operating within the State contributed $25 million to the Agency for deposit into the Trust Fund. Pursuant to the State Finance Act (Act), these moneys have been invested to generate investment income to both grow the corpus within the Trust Fund and provide an additional revenue source to fund the Agency's operations.

Each year, the Agency is to transfer an amount not exceeding the lesser of either 90% of the investment income during the fiscal year or an amount appropriated by the General Assembly for deposit into the Operations Fund from the Trust Fund. The Agency must retain the remainder of the year's investment income and add it to the corpus within the Trust Fund, which cannot be considered in calculating future year transfers of investment income.

Some of what we noted follows:

Cumulative excess transfers were estimated in the amount of $469,834

- The beginning balance of the Trust Fund at July 1, 2012, was less than the $25 million initially contributed to the Trust Fund in FY 2008. Although the Trust Fund has never had an investment loss during any year from FY 2008 through FY 2012, the balance had not increased by the amount of investment income that should have been retained within the Trust Fund pursuant to the Act. Further, it appears the Agency actually transferred a portion of the initial $25 million contribution from the Trust Fund to the Operations Fund. At July 1, 2012, auditors estimated cumulative excess transfers of $469,834.

Agency accrual exceeds appropriation by $435,801

- The General Assembly appropriated $300,000 to the Agency in FY 2013 for transfer from the Trust Fund to the Operations Fund. The Agency's FY 2013 financial statements included an accrual due from the Trust Fund to the Operations Fund for $735,801 from FY 2013 investment income. This amount exceeds the appropriation limitation by $435,801. The Agency had not requested this $735,801 transfer as of the close of fieldwork.

Auditors proposed correcting entries which the Agency recorded

The auditors proposed adjusting journal entries to correct these errors, which the Agency recorded in the financial statements. (Finding 2, pages 19-21)

We recommended the Agency record and perform transfers of investment income in accordance with the provisions of the State Finance Act. We also recommended the Agency return the amount of excess transfers to the Trust Fund.

Agency agreed with auditors

Agency management agreed with the finding and recommendations.

LACK OF CONTROLS OVER ALTERNATIVE COMPLIANCE PAYMENTS

Controls not established

The Agency did not establish controls to properly record receivables and ensure the accuracy of payments remitted by Alternative Retail Electric Suppliers (ARES).

At the conclusion of each Energy Year (June-May), each ARES calculates their Alternative Compliance Payment (ACP) liability by preparing a spreadsheet to self-report amounts due to the Illinois Commerce Commission (Commission) and remits the calculated amount due by September 1.

During FY 2013, the processing of all ACPs was administered by the Commission. The Commission accepted payments, verified the payment's accuracy to the self-reported spreadsheet submitted by the ARES, and deposited the cash receipts into the Illinois Power Agency Renewable Energy Resources Fund (Renewable Fund). The Agency's Director performed a review of ACP receivables at June 30, 2013, that were paid to the Commission in October 2013.

During testing, the auditors noted the following:

Improper cut-off resulted in adjustments to the prior year financial statements of $1,047,226

The current year financial statements were adjusted by $30,624,972 to correct the errors

- The Agency did not properly record both prior year and current year transactions within the Renewable Fund. The auditors noted the Agency did not capture or consider the receipt date of ACPs paid to the Commission to properly cut-off revenue recognition at the conclusion of the State's Lapse Period. The auditors proposed a $1,047,226 and a $30,624,972 reduction in unavailable revenue at June 30, 2012, and June 30, 2013, respectively. After notification from the auditors of this condition, the Agency recorded the adjusting journal entries necessary to restate the opening balances for prior year errors and corrected the current year's errors.

- The Agency did not have an interagency agreement with the Commission detailing the specific functions, duties, and responsibilities of both the Agency and Commission for the accounting, recordkeeping, and deposit of ACPs.

- The Agency does not have a mechanism to identify any potential credit carry-forwards or refunds due to retail electric suppliers for financial reporting purposes. During the audit period, the Commission reported the existence of two overpayments from retail electric suppliers to the auditors totaling $158.

- The Agency has not coordinated with the Commission to establish a process and procedure for the refund of excess ACPs. Additionally, the auditors noted the Agency does not have any appropriation authority to actually pay a refund if the Commission allowed an ARES to apply to the Agency for a refund. (Finding 3, pages 22-25) **This finding was first reported in 2011.**

We recommended the Agency work with the Commission to obtain the information necessary to report ACPs in the Agency's financial statements and work with the Commission to address the issuance of, and financial reporting for, refunds and carry-forwards, or seek legislative remedy.

Agency agreed with auditors

Agency management agreed with the finding and recommendations. (For the previous Agency response, see Digest Footnote #1.)

NEED TO IMPROVE CONTROLS OVER THE PURCHASE OF RENEWABLE ENERGY CREDITS

The Agency did not comply with State laws and regulations regarding accounting for the Agency's expenditures from its Renewable Energy Resources Fund (Renewable Fund).

Renewable Energy Suppliers may deliver Renewable Energy Credits

During FY 2013, the Agency entered into contracts with Renewable Energy Suppliers (RES) to purchase Renewable Energy Credits (RECs) curtailed by order of the Illinois Commerce Commission (Commission). Under the terms of the contracts, the RES have the option, but not the obligation, to deliver RECs to the Agency under the terms of the contracts for energy produced from June 1, 2013 through May 31, 2014. The contracts require settlement by the RES providing RECs for retirement to the Agency on or before July 20, 2014.

Total potential cost of the contracts would be $2,240,006

The total potential cost of the REC purchase contracts is $2,240,006. The Agency could potentially procure an amount not to exceed 2,974 photovoltaic (solar) RECs and 118,646 wind RECs.

During testing, the auditors noted the following:

$97,473 in expenses were not charged to the proper fiscal year

- The Agency did not structure the terms of its contracts as to require settlement for RECs produced in June 2013 by the conclusion of the State's FY 2013 Lapse Period on August 31, 2013. According to auditor confirmations with the RES, they expect to deliver 648 photovoltaic RECs and 318 wind RECs produced in June 2013 to the Agency, totaling $97,473. As the Agency's contracts did not require settlement, the RES did not deliver the RECs and provide a proper bill to the Agency resulting in the Agency not charging FY 2013 appropriations for expenses incurred during the fiscal year and pushing these expenses out to future appropriations.

The liability of $97,473 was not recorded

$2,142,533 contingent commitment was not originally disclosed in the financial statements

- The Agency did not report a liability for the $97,473 payable related to June 2013 RECs or disclose the existence of the $2,142,533 contingent commitment of future resources related to the remaining value of outstanding contracts to the Office of the State Comptroller. After receiving notification from the auditors of this condition, the Agency calculated the liability and prepared footnote disclosures to describe the existence of this transaction within the Agency's financial statements.

- The Agency did not procure RECs from distributed renewable energy generation devices. The Illinois Power Agency Act requires the Agency to procure renewable energy resources and at least 0.5% shall come from distributed renewable energy generation devices by June 1, 2013. Agency officials stated they could not lawfully procure RECs from distributed renewable energy generation devices due to two regulatory and statutory barriers.

- The Agency did not create credit requirements for suppliers of distributed renewable energy. Additionally, the Agency did not solicit the use of third-party organizations to aggregate distributed renewable energy into groups of no less than one megawatt in installed capacity. (Finding 4, pages 26-29)

We recommended the Agency structure its contractual agreements to accommodate fiscal year limitations and identify and record all liabilities and contingencies in the financial statements. We also recommended the Agency create credit requirements for suppliers of distributed renewable energy and procure RECs from distributed renewable energy generation devices, or seek legislative remedy.

Agency agreed with auditors

Agency management agreed with the finding and recommendations.

FAILURE TO ESTABLISH A RESOURCE DEVELOPMENT BUREAU

Required bureau not established

The Agency did not establish a Resource Development Bureau.

During our audit, we noted the Agency had not established a Resource Development Bureau nor did the Agency's Director appoint a Chief of the Resource Development Bureau.

Failure to create this required bureau and appoint a Bureau Chief is a violation of State statute. (Finding 10, pages 37-38) **This finding was first reported in 2009.**

We recommended the Agency establish a Resource Development Bureau or seek a legislative remedy.

Agency agreed with auditors

Agency management agreed with the finding and recommendation. (For the previous agency response, see Digest Footnote #2.)

NEED TO COMPLY WITH APPROPRIATION LAWS

Noncompliance with appropriation laws

The Agency did not properly use appropriations within the Illinois Power Agency Trust Fund (Trust Fund).

During testing, the auditors noted the following:

Appropriation process was circumvented

- The Agency circumvented the appropriations process by directly depositing investment income received from the Illinois State Board of Investment, totaling $92,192, into the Illinois Power Agency Operations Fund (Operations Fund) as opposed to depositing the receipt into the Trust Fund and performing an interfund cash transfer to move the moneys, pursuant to appropriation, into the Operations Fund.

- During FY 2013, the Agency transferred the remaining cash on deposit in the Trust Fund within the State Treasury, totaling $36,324, to the Illinois State Board of Investment. To perform this transaction, the Agency incorrectly charged the entire amount to its FY 2013 appropriation for transferring moneys from the Trust Fund to the Operations Fund as opposed to charging this activity to the Trust Fund's nonappropriated interfund cash transfer line item.

Failure to use appropriations from the General Assembly in strict adherence with the purpose of the line item circumvents legislative control, reduces the reliability of the State's financial information, and represents noncompliance with State law. (Finding 12, pages 43-44)

We recommended the Agency deposit investment income into the Trust Fund and only interfund cash transfer moneys pursuant to an appropriation from the General Assembly. We further recommended the Agency ensure amounts charged to an appropriation line item represent an allowable use under the terms of the appropriation law.

Agency agreed with auditors

Agency management agreed with the finding and recommendations.

NEED TO PROPERLY APPROVE CONTRACTUAL AGREEMENTS

The Agency did not properly approve contracts.

During FY 2013, the Agency entered into six contracts individually valued in excess of $250,000, totaling $3,498,793.

3 of 6 contracts were not properly approved

In our testing we noted three of the six contracts in excess of $250,000, totaling $1,484,000, were not properly approved. Two of the noted contracts were missing the Chief Legal Counsel's signature and one contract was missing the date the Chief Legal Counsel and Chief Financial Officer signed the contract. (Finding 14, pages 49-50)

We recommended the Agency approve all contracts in accordance with the State Finance Act.

Agency agreed with auditors

Agency management agreed with the finding and recommendation.

NEED TO FILE CONTRACTUAL AGREEMENTS TIMELY

Noncompliance with the Illinois Procurement Code

The Agency did not maintain adequate internal control over compliance with the provisions of the Illinois Procurement Code.

During FY 2013, the Agency entered into 13 contracts individually valued in excess of $20,000, totaling $3,979,802.

In our testing we noted:

Late filings

- Three contracts, totaling $181,916, were filed with the State Comptroller between 74 and 83 days late.

Incomplete filings

- The Agency did not properly complete late filing affidavits for the three contracts filed late, as noted above. All three affidavits were not signed by the Agency's Director, one affidavit was not notarized, and two affidavits were not filed with the Auditor General.

(Finding 15, pages 51-52) **This finding was first reported in 2009.**

We recommended the Agency implement internal controls designed to allow for the timely filing of contractual agreements and review documents filed with external parties for compliance with applicable laws, rules, and regulations.

Agency agreed with auditors

Agency management agreed with the finding and recommendation. (For the previous agency response, see Digest Footnote #3.)

AVOIDABLE USE OF AN EMERGENCY CONTRACT

The Agency filed an emergency purchase affidavit for a purchase which was not an emergency, in violation of the Illinois Procurement Code (Code).

During FY 2013, the Agency entered into one emergency purchase, totaling $30,434, with a public accounting firm to prepare the Agency's FY 2012 GAAP Packages, financial statements, and procedure manuals.

Emergency could have been avoided

During testing we noted the reason for the emergency, as noted on the affidavit filed with the Auditor General, was the "deadline to renew this contract was overlooked." Thus, this purchase only met the definition of an emergency under the Code due to the Agency's inability to timely identify a need to enter into a renewal contract with the vendor, thus creating the emergency. (Finding 16, pages 53-54)

We recommended the Agency follow the Code and use the emergency provisions of the Code only in true emergencies and not due to inadequate planning.

Agency agreed with auditors

Agency management agreed with the finding and recommendation.

NEED TO IMPROVE CONTROLS OVER ACCOUNTS RECEIVABLE

The Agency did not maintain sufficient control over collecting and reporting accounts receivable.

During testing, some of what we noted follows:

Controls need improvement

- The Agency's procedures for collecting accounts receivable are inadequate and not designed to ensure amounts are promptly recorded within the Agency's billing records.
  - o The Agency posted invoices for procurement planning expenses to two electric utilities, totaling $1,030,123, as an adjustment dates June 30, 2013;

Billings were not made timely

however, the actual date the Agency billed the utilities was August 26, 2013. The auditors concluded these amounts had not been billed in a timely manner by the Agency.

- As of June 10, 2013, seven Renewable Energy Suppliers (RES) were not timely billed for a nonrefundable fee, totaling $27,274. The Agency eventually posted these receivables as an adjustment dated June 30, 2013, but was unable to identify the actual date the Agency billed the RES. In addition, the Agency did not report these receivables as past due on the Agency's June 30, 2013, quarterly accounts receivable report to the State Comptroller.

Reporting was inaccurate

- The Agency did not exercise adequate control over aging accounts receivable or estimating uncollectible amounts. We noted the following:
  - The Agency has not reviewed its accounts receivable process to determine whether its method of not calculating an estimate for uncollectible accounts is fair and reasonable. For example, the auditors noted one account, totaling $9,430, where the Agency had not recorded an allowance for doubtful accounts even though the entity disputes the amount due and the amount was originally billed around October 2012.
  - Due to the lack of controls over invoice billing, the Agency's ability to prepare accurate aging reports of accounts receivable for its quarterly reports to the State Comptroller was significantly limited. As such, the auditors could not conclude as to whether the Agency's accounts receivable aging schedule within its quarterly report of accounts receivable to the Office of the State Comptroller was fair and accurate.

Lack of controls over invoice billing

- The Agency did not submit accurate quarterly accounts receivable reports to the Office of the State Comptroller. Some of what we noted follows:
  - The Agency did not report accounts receivable under a recognized Major Revenue Source account within the State's Chart of Accounts. The Agency reported a portion of each quarter's accounts receivable activity to an expenditures account (#510).
  - Three of four quarterly reports did not report a beginning balance for accounts receivable which

agreed with the prior quarter's ending balance for accounts receivable. We noted differences between $25,000 and $470,000. (Finding 20, pages 60-63)

We recommended the Agency implement controls to ensure accounts receivable are properly recorded in the Agency's records and accurately reported to the Office of the State Comptroller.

Agency agreed with auditors

Agency management agreed with the finding and recommendation.

OTHER FINDINGS

The remaining findings pertain to: 1) reconciliation of agency records, 2) inadequate controls over the Agency's information systems, equipment, employee attendance, cash receipts, and personal services, 3) failure to adopt formal administrative rules for agencies operations, fees and charges, and developing prequalified supplier lists, 4) voucher processing, 5) interagency agreements, 6) noncompliance with FCIAA, and 7) Travel Headquarter Reports. We will review the Agency's progress towards implementation of our recommendations in our next engagement.

AUDITORS' OPINION

The auditors stated the financial statements of the Agency as of and for the year ended June 30, 2013, are fairly stated in all material respects.

ACCOUNTANTS' OPINION

The accountants conducted a compliance examination of the Agency for the year ended June 30, 2013, as required by the Illinois State Auditing Act. The auditors qualified their report on State Compliance for Findings 2013-001 through 2013-004 and Findings 2013-007 through 2013-013. Except for the noncompliance described in these findings, the auditors stated the Agency complied, in all material respects, with the requirements described in the report.

WILLIAM G. HOLLAND
Auditor General

WGH:TLK

AUDITORS ASSIGNED

This financial audit and compliance attestation examination was performed by the Office of the Auditor General's staff.

DIGEST FOOTNOTES

#1-Lack of Controls Over Alternative Compliance Payments-Previous Agency Response

2012 - The Agency agrees with this finding. As part of the completion of the Office of Auditor General's fiscal year 2011 audit of the Agency, the IPA conceded that entering an interagency agreement with the Illinois Commerce Commission ("ICC") would document each party's responsibilities and help formalize the controls that the Agency believes are or should be in place. The IPA did not reach this conclusion until near the end of the fiscal year 2011 audit process—after or just before the close of fiscal year 2012. As a result, the Agency was unable to secure an interagency agreement during fiscal year 2012. The Agency is attempting to secure an interagency agreement with the ICC in fiscal year 2013.

#2-Failure to Establish a Resource Development Bureau-Previous Agency Response

2012 - The Agency agrees with this finding. While the Planning and Procurement Bureau was not established in fiscal year 2012, it has since been established in fiscal year 2013 and is currently staffed by a Planning and Procurement Bureau Chief.

As previously noted in the Agency Response to fiscal year 2011 Finding 11-17, the Agency respectfully submits that although Section 1-70 of the Act requires hiring of a Chief of the Resource Development Bureau, the Agency believes that hiring for this position would not be a productive use of state resources at this time. This is because, based on the results of this year's electricity procurement planning that the Agency is required to undertake pursuant to Section 1-75 of the Act, there is and will be no need for the Agency to develop generation pursuant to Section 1-80 of the Act in the short or medium term. As a result, the Agency believes there would be little to no substantive work for the Chief of the Resource Development Bureau to undertake for several years.

The Agency agrees that in fiscal year 2012, the procurement process from a staffing point of view was solely under the purview of the Acting Director and the Chief Fiscal Officer. Responding further, the Agency also notes the procurement process for several of the Agency's required procurements also included oversight by the Illinois Commerce Commission, the use of outside procurement administrators, and review by an independent procurement monitor (*see* 20 ILCS 3855/1-75 *and* 220 ILCS 5/16-111.5 which detail oversight by the Illinois Commerce Commission and use of expert advisors in procurement of energy and related resources and retention of expert advisors).

#3-Failure to Timely File Contractual Agreements-Previous Agency Response

2012 - The Agency agrees with this finding. The Agency made its best efforts to submit proper contracts within 15 days from execution. While contracted with Shared Services, the Agency made efforts to submit acceptable contract documents in a timely manner, but lacked sufficient time and expertise, and delays were the result of the Agency having to resubmit contract documents. After the interagency agreement with Shared Services lapsed, the Agency lacked sufficient knowledge and time to submit acceptable contracts on its own, leading to delays as Agency personnel attempted resolved non-conformance with Illinois Office of the Comptroller requirements.