



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF STATE POLICE

**COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012**

Release Date: April 11, 2013

Summary of Findings:

Total this audit:	14
Total last audit:	8
Repeated from last audit:	7

SYNOPSIS

- The Department did not exercise adequate control over the recording and reporting of its State property and equipment.
- The Department could not provide support for payroll expenditures as required under a contract with the Illinois Toll Highway Authority.
- The Department recorded and reported inaccurate accounts receivable information on the Quarterly Summary of Accounts Receivable Reports.
- The Department's collection attempts of accounts receivable balances were not aggressively pursued and properly referred to the Comptroller's Offset System.
- The Department lacked an adequate process to monitor interagency agreements.
- The Department did not comply with the Missing Persons Identification Act.
- The Department did not exercise adequate controls over voucher processing.

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

**DEPARTMENT OF STATE POLICE
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012**

EXPENDITURE STATISTICS	2012	2011	2010
Total Expenditures.....	\$ 346,187,160	\$ 335,295,889	\$ 339,557,519
OPERATIONS TOTAL.....	\$ 345,960,063	\$ 335,035,240	\$ 339,077,521
% of Total Expenditures.....	99.94%	99.93%	99.86%
Personal Services.....	242,569,662	3,037,830	225,735,717
Other Payroll Costs (FICA, Retirement)*.....	9,277,778	1,524,286	8,701,348
All Other Operating Expenditures.....	94,112,623	330,473,124	104,640,456
AWARDS AND GRANTS.....	\$ 150,000	\$ 150,000	\$ 105,000
% of Total Expenditures.....	0.04%	0.04%	0.03%
REFUNDS.....	\$ 77,097	\$ 110,649	\$ 374,998
% of Total Expenditures.....	0.02%	0.03%	0.11%
Total Receipts.....	\$ 59,871,038	\$ 53,228,227	\$ 52,662,784
Average Number of Employees.....	2,860	3,003	3,150

* For Fiscal Year 2011, the appropriation process was changed for operating expenses paid from the General Revenue Fund. The Department received a lump sum appropriation for operational expenses, including personal service expenditures, rather than individual appropriations designed for specific purposes.

SELECTED ACTIVITY MEASURES (not examined)	2012	2011	2010
Number of Impaired Driving/Zero Tolerance			
Citations.....	9,919	10,597	11,112
Number of Speeding Citations.....	153,241	178,320	201,078
Number of Seatbelt Citations.....	54,862	80,719	105,588
Number of Forensic Cases Worked in All			
Disciplines.....	101,076	104,043	111,669
Number of Ethics/Integrity Events Conducted.....	3	2	1

AGENCY DIRECTOR	
During Examination Period:	Mr. Jon Monken, Acting (through 2/13/11) Mr. Patrick Keen, Interim (2/14/11 through 4/10/11) Mr. Hiram Grau (effective 4/11/11)
Currently:	Mr. Hiram Grau

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

NEED TO IMPROVE CONTROLS OVER PROPERTY AND EQUIPMENT

The Department of State Police (Department) did not exercise adequate control over the recording and reporting of its State property and equipment. We noted the following:

Items not added or removed from records timely

- The Department did not update their inventory records within 30 days of acquisition, change, or deletion of equipment items. We noted 23 of 60 (38%) items were added to the Department inventory records between three and 177 days late and 18 of 60 (30%) items were deleted from Department inventory records one to 196 days late. We also noted one of 60 (2%) vouchers had items that were not added to the Department's inventory system.

Items could not be located

- The Department did not maintain documentation to support the cost of equipment added to their inventory records.

Missing items could possibly have confidential information stored on them

- The Department could not locate five of 60 (8%) items, totaling \$14,992.
- The Department failed to require its employees to complete quarterly property verification sheets.
- Two of 19 (11%) Accounting for Leases-Lessee Forms (SCO-560s) tested were not filled out properly.
- The Department did not have adequate controls over lost or missing property. We noted 43 of 88 (49%) items listed as lost or missing could possibly have confidential information stored on them. (Finding 1, pages 8-11) **This finding was first reported in 2002.**

We recommended the Department continue to strengthen controls over the recording and reporting of its State property and equipment by reviewing their inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. We also recommended the Department ensure all equipment is accurately and timely recorded on the Department's property records and properly valued and that quarterly property verifications are completed as required. Lastly, we recommended the Department develop procedures to ensure the safe disposal of information as required by the Personal Information Protection Act.

Department agrees with auditors

Department management concurred and stated they continue to struggle with the effects of the central property control unit being located outside of the agency within the Public Service Shared Services Center (PSSSC) therefore delaying processing of paperwork as well as removing property control subject matter experts from the agency. *(For the previous Department response, see Digest Footnote #1.)*

INADEQUATE DOCUMENTATION TO SUPPORT PAYROLL EXPENDITURES

Payroll expenditures could not be supported

The Department could not provide support for payroll expenditures as required under a contract dated April 20, 2007 with the Illinois Toll Highway Authority (Tollway). Under the contract, the Tollway is responsible for reimbursing the Department for the salaries of Department employees assigned to patrol interstate tollways on a full-time basis. The Department must supply the Tollway with adequate documentation including payroll vouchers to support the cost of performing police services. Under the current procedures, for each payroll cycle the Department must prepare a summary payroll voucher of individual employee payroll disbursements, certify the voucher for accuracy on behalf of the Tollway Director, and provide a voucher to the Tollway for reimbursement. Each Department employee assigned to the Tollway was paid \$16 more per pay period than the salary amount per the employee agreement as a uniform and food per diem. However, the Department does not maintain and could not provide the Tollway with adequate support to justify the additional pay. (Finding 2, pages 12-13)

Employees paid \$16 per pay period more than employee agreement

We recommended the Department either discontinue the practice of paying more than the employee agreement or implement procedures to retain supporting documentation for all amounts to be reimbursed by the Tollway.

Department agrees with auditors

Department management concurred and stated the practice of paying ISP Tollway employees an additional \$16 per pay period was discontinued December 1, 2012.

INADEQUATE CONTROLS OVER ACCOUNTS RECEIVABLE REPORTING

Information reported did not agree to underlying support

The Department did not accurately record and report accounts receivable noted on the Quarterly Summary of Accounts Receivable Reports (Reports). During testing, we noted 13 of 112 (12%) Reports were inaccurate and did not agree to the support provided by the Department. We noted differences in accounts receivable amounts (i.e. payments, adjustments, beginning and ending balances). Gross accounts receivable totaled \$3,374,000 in Fiscal Year 2011 and \$2,816,000 in Fiscal Year 2012. (Finding 3, page 14)

We recommended the Department keep accurate and detailed records of all billings and the corresponding collections to facilitate proper reporting of accounts receivable activity.

Department agrees with auditors

Department management concurred and stated the accounts receivable reporting is a function of the PSSSC and they will continue to work with the PSSSC to ensure reporting is completed accurately and in a timely manner.

COLLECTION OF DELINQUENT ACCOUNTS RECEIVABLE NOT PURSUED

Accounts owed to Department not pursued

The Department did not aggressively pursue the collection of accounts receivable and did not properly refer delinquent accounts receivable to the Comptroller's Offset System.

Last collection attempts ranged from October 2007 to July 2011

The Department is owed money from various individuals and companies for items such as drug fines, over-dimensional load police escorts, property vehicles, forfeited items and other miscellaneous items. We tested ten receivable accounts with a balance of \$100,501. We noted two accounts, totaling \$1,680 were paid off as of June 30, 2012. Of the remaining eight accounts, five had balances greater than \$1,000 and three had balances less than \$1,000. The last activity dates (i.e. last time Department attempted to collect) for these eight accounts ranged from October 31, 2007 through July 21, 2011. (Finding 6, pages 19-20)

We recommended the Department strengthen procedures and allocate necessary resources to properly report and fully pursue collections on delinquent accounts receivable. We further recommended all eligible delinquent accounts be referred to the Comptroller's Offset System.

Department agrees with auditors

Department management concurred and stated the collection of delinquent accounts was transferred to the PSSSC within the accounts receivable function and they will work with the PSSSC to ensure the agency has provided sufficient documentation to the PSSSC and the accounts are being worked in accordance with all applicable rules and laws.

INADEQUATE MONITORING OF INTERAGENCY AGREEMENTS

Interagency agreements not signed by all necessary parties

The Department did not have an adequate process to monitor interagency agreements. We noted three of 14 (21%) interagency agreements were not signed by all necessary parties before the effective date. The agreements were signed two and 42 days late. In addition, for one of fourteen (7%) interagency agreements reviewed, the Department did not submit quarterly progress reports to the grantor. (Finding 10, pages 27-28)

Agreements signed 2 and 42 days late

We recommended the Department ensure all interagency agreements are approved by an authorized signor prior to the effective date of the agreement and all reporting requirements are adhered to.

Department agrees with auditors

Department management concurred and stated the Division of Operations has instituted a tracking mechanism to monitor interagency agreements to ensure their approval prior to the effective date.

NONCOMPLIANCE WITH THE MISSING PERSONS IDENTIFICATION ACT

Required information not uploaded in a timely manner

The Department did not comply with the Missing Persons Identification Act. We noted the Department could not provide proper documentation showing information was uploaded into the National Crime Information Center (NCIC) within 72 hours. We also noted the Department did not enter information sought by the Violent Criminal Apprehension Program (ViCAP) database as soon as practicable. (Finding 12, pages 30-31)

We recommended the Department comply with the Missing Persons Identification Act by uploading the information to the State and federal databases within the required time frames.

Department agrees with auditors

Department management concurred and stated appropriate work unit commanders will be provided with a copy of this audit and tasked with ensuring officers in their respective work units are adhering to submission requirements and procedures within the prescribed timeframe.

VOUCHER PROCESSING WEAKNESSES

The Department did not exercise adequate controls over voucher processing.

Vouchers approved from 2 to 147 days late

We noted 29 of 319 (9%) vouchers tested, totaling \$1,134,314, were approved for payment from two to 147 days late. We also noted 36 of 319 (11%) vouchers tested, totaling \$1,200,773 accrued a required interest payment of \$23,119 which was not paid by the Department. (Finding 14, page 34)
This finding was first reported in 2004.

We recommend the Department comply with the Illinois Administrative Code and the State Prompt Payment Act to ensure vouchers are approved within the required time frame and the required interest is paid.

Department agrees with auditors

Department management concurred and stated they continue to struggle with the effects of reduced staffing, particularly administrative staff responsible for review and preparation of vouchers for payment. (*For the previous Department response, see Digest Footnote #2.*)

OTHER FINDINGS

The remaining findings pertain to: 1) lack of documentation for Agency Fee Imposition Reports, 2) inaccurate Agency Workforce Report, 3) lack of project management, 4) failure to maintain security controls over confidential information, 5) weaknesses in change management of computer systems, 6)

noncompliance with State Officials and Employees Ethics Act, and 7) lack of documentation in Criminal History Reports. We will follow up on these findings during our next examination of the Department.

AUDITORS' OPINION

We conducted a compliance examination of the Department as required by the Illinois State Auditing Act. The Department has no funds that require an audit leading to an opinion of financial statements.



JOHN KUNZEMAN
Deputy Auditor General

JWK:jsc:rt

AUDITORS ASSIGNED:

This examination was performed by the Office of the Auditor General's staff.

DIGEST FOOTNOTES

#1 – INADEQUATE CONTROL OVER PROPERTY AND EQUIPMENT – Previous Department Response

2010: The ISP concurs. The Property Control Unit has continued to face issues related to insufficient staffing as well as system malfunctions. The ISP will work closely with the Public Safety Shared Services Center (PSSSC) to ensure property is added to the inventory system in a timely manner and required reporting to the IOC is completed accurately. The PSSSC has sent emails to all Property Custodians stating all information must be complete on surplus delivery forms.

#2 – VOUCHER PROCESSING WEAKNESSES – Previous Department Response

2010: The ISP concurs. We continue to struggle with the effects of reduced staffing. Specifically, many work units have been faced with a decrease or complete loss of administrative support staff. These administrative support staff are the individuals responsible for review and initial preparation of vouchers for payment. The ISP will reinforce the importance of approving vouchers in a timely manner. Additionally, the responsibility of final submission of vouchers to the IOC was transferred to the Public Safety Shared Services Center (PSSSC) on October 1, 2008. The ISP will work with the PSSSC to ensure the review and approval of vouchers by the PSSSC occurs in a timely manner. Additionally, the ISP will continue to work with the PSSSC regarding payment of all prompt payment penalties owed.