

**STATE OF ILLINOIS  
COMMISSION ON INTERGOVERNMENTAL COOPERATION**

**COMPLIANCE EXAMINATION**

For the Seven Months Ended January 31, 2004

Final Examination

STATE OF ILLINOIS  
COMMISSION ON INTERGOVERNMENTAL COOPERATION  
COMPLIANCE EXAMINATION  
For the Seven Months Ended January 31, 2004

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Agency Officials

Commission on Intergovernmental Cooperation

Effective February 1, 2004, the Legislative Commission Reorganization Act of 1984, as amended, (25 ILCS 130/4-1) transferred all powers, duties, rights, responsibilities, personnel, assets, liabilities, and indebtedness of the Illinois Commission on Intergovernmental Cooperation to the Legislative Research Unit.

Executive Director	Vacant
Associate Director	Sandra Roberts
Research Director	Kevin Jones
Fiscal Officer	Laura Davis

The Agency's office was located at:  
707 Stratton Building  
Springfield, Illinois 62706

# LEGISLATIVE RESEARCH UNIT

PATRICK D. O'GRADY, EXECUTIVE DIRECTOR

## STATE COMPLIANCE EXAMINATION

## MANAGEMENT ASSERTION LETTER

September 30, 2005

The Honorable William G. Holland  
Auditor General  
State of Illinois  
Hes Park Plaza  
740 East Ash  
Springfield, Illinois 62703-3154

Dear Mr. Holland:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Commission on Intergovernmental Cooperation. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the seven month close-out period ended January 31, 2004. Based on this evaluation, we assert that during the seven months ended January 31, 2004, the Agency has materially complied with the assertions below.

1. The agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
2. The agency has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.

**LRU**

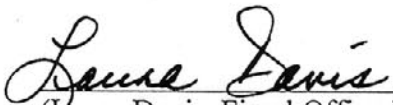
3. The agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
4. The State revenues and receipts collected by the agency are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
5. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Commission on Intergovernmental Cooperation



(Sandra Roberts, Acting Director)



(Laura Davis, Fiscal Officer)

**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

**AUDITORS' REPORTS**

The Independent Accountants' Report on State Compliance, on Internal Control over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	0	0
Repeated Findings	0	0
Prior recommendations implemented or not repeated	0	0

**SCHEDULE OF FINDINGS**

The Commission on Intergovernmental Cooperation did not have any current year or prior year findings.

**EXIT CONFERENCE**

The findings and recommendations of the examination were discussed with Legislative Research Unit personnel at an exit conference on November 9, 2005. Attending the conference were:

Legislative Research Unit  
Patrick O'Grady, Executive Director  
Bridget Devlin, Associate Director  
Cindy Bates, Fiscal Officer

Office of the Auditor General  
Jane Clark, Audit Manager  
Matt Campbell, Audit Supervisor  
David King, Staff Auditor

SPRINGFIELD OFFICE:

ILES PARK PLAZA  
740 EAST ASH • 62703-3154  
PHONE: 217/782-6046

FAX: 217/785-8222 • TTY: 888/261-2887



CHICAGO OFFICE:

MICHAEL A. BILANDIC BLDG. • SUITE S-900  
160 NORTH LASALLE • 60601-3103  
PHONE: 312/814-4000  
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

**INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We have examined the State of Illinois Commission on Intergovernmental Cooperation's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the seven months ended January 31, 2004. The management of the State of Illinois Commission on Intergovernmental Cooperation is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Commission on Intergovernmental Cooperation's compliance based on our examination.

- A. The State of Illinois Commission on Intergovernmental Cooperation has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois Commission on Intergovernmental Cooperation has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois Commission on Intergovernmental Cooperation has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the State of Illinois Commission on Intergovernmental Cooperation are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois Commission on Intergovernmental Cooperation on behalf of the State or held in trust by the State of Illinois Commission on Intergovernmental Cooperation have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Commission on Intergovernmental Cooperation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois Commission on Intergovernmental Cooperation's compliance with specified requirements.

In our opinion, the State of Illinois Commission on Intergovernmental Cooperation complied, in all material respects, with the aforementioned requirements during the seven months ended January 31, 2004. The results of our procedures disclosed no instances of noncompliance with those requirements, which would be required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which would be described in the accompanying schedule of State findings.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter.

### **Internal Control**

The management of the State of Illinois Commission on Intergovernmental Cooperation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the State of Illinois Commission on Intergovernmental Cooperation's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. The results of our procedures did not disclose matters involving internal control, which would be required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and would be described in the accompanying schedule of State findings.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter.




**Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2004 Supplementary Information for State Compliance Purposes, except for information on the Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2003 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.

  
Bruce L. Bullard, CPA  
Compliance Audit Director

September 30, 2005

## **SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

### **SUMMARY**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Receipts
- Analysis of Significant Lapse Period Spending

- Analysis of Operations:

- Agency Functions and Planning Program
- Average Number of Employees
- Service Efforts and Accomplishments (Not Examined)

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for the Service Efforts and Accomplishments on which we did not perform any procedures. However, the auditors do not express an opinion on the supplementary information.

STATE OF ILLINOIS  
 COMMISSION ON INTERGOVERNMENTAL COOPERATION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
 For The Seven Months Ended January 31, 2004

P.A. 93-0091	Appropriations		Balances Lapsed January 31
	(Net of Transfers)	Expenditures Through January 31	
General Revenue Fund - 001			
Personal Services	\$ 182,770	\$ 182,770	\$ 0
Employee Retirement Contributions Paid by Employer	7,313	7,313	0
State Contribution to State Employees' Retirement System	24,571	24,570	1
State Contributions to Social Security	13,364	13,364	0
Contractual Services	11,209	11,208	1
Travel	514	514	0
Commodities	366	365	1
Printing	15	14	1
Equipment	0	0	0
Electronic Data Processing	267	267	0
Telecommunications	2,229	2,229	0
Model Illinois Government	0	0	0
Total Fiscal Year 2004	\$ 242,618	\$ 242,614	\$ 4

Note: Appropriations, expenditures, and lapsed balances were obtained from Agency records and [have been reconciled to records of the State Comptroller.](#)

STATE OF ILLINOIS  
 COMMISSION ON INTERGOVERNMENTAL COOPERATION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
 For the Fiscal Period Ended:

	<u>January 31, 2004</u>	<u>June 30, 2003</u>
General Revenue Fund - 001	P.A. 93-0091	P.A. 92-0538
Appropriations (Net of Transfers)	<u>\$ 242,618</u>	<u>\$ 1,198,000</u>
<u>Expenditures</u>		
Personal Services	\$ 182,770	\$ 455,301
Employee Retirement		
Contributions Paid by Employer	7,313	17,120
State Contribution to State		
Employees' Retirement System	24,570	47,000
State Contributions to Social Security	13,364	33,587
Contractual Services	11,208	528,250
Travel	514	1,099
Commodities	365	2,650
Printing	14	3,413
Equipment	0	0
Electronic Data Processing	267	3,755
Telecommunications	2,229	4,983
Model Illinois Government	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>\$ 242,614</u>	<u>\$ 1,098,158</u>
Lapsed Balances	<u>\$ 4</u>	<u>\$ 99,842</u>

Note: The Commission on Intergovernmental Cooperation did not make any efficiency initiative payments during the examination period.

STATE OF ILLINOIS  
 COMMISSION ON INTERGOVERNMENTAL COOPERATION  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
 For the Seven months ended January 31, 2004

	Equipment
Balance at July 1, 2003	\$ 92,757
Additions	3,744
Deletions	(166)
Net Transfers	(96,335)
Balance at January 31, 2004	\$ -

Note: The above schedule has been derived from Agency records that have been reconciled to property reports submitted to the Office of the Comptroller.

The Commission transferred approximately \$48,500 to the Legislative Research Unit, approximately \$16,800 to other Legislative Agencies, and approximately \$31,000 to State surplus.

STATE OF ILLINOIS  
 COMMISSION ON INTERGOVERNMENTAL COOPERATION  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS**  
 For the Period Ended

	<u>January 31, 2004</u>	<u>June 30, 2003</u>
Miscellaneous	<u>0</u>	<u>3</u>
Total Receipts	<u>\$ 0</u>	<u>\$ 3</u>

**RECONCILIATION OF CASH RECEIPTS TO DEPOSITS  
 REMITTED TO THE STATE COMPTROLLER**  
 For the Period Ended

	<u>January 31, 2004</u>	<u>June 30, 2003</u>
Receipts per Office Records	\$ 0	\$ 3
Add: Deposits in transit, beginning of year	0	0
Less: Deposits in transit, end of year	<u>0</u>	<u>0</u>
Deposits Recorded by the Comptroller	<u>\$ 0</u>	<u>\$ 3</u>

STATE OF ILLINOIS  
COMMISSION ON INTERGOVERNMENTAL COOPERATION  
**EXPLANATION OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Seven Months Ended January 31, 2004

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2004 AND 2003**

Personal Services, Contractual Services, Travel, Commodities, Printing, EDP and Telecommunications

Expenditures decreased due to the merger of the Commission into the Legislative Research Unit effective February 1, 2004 pursuant to the Legislative Commission Reorganization Act of 1984, as amended (25 ILCS 130/4-1).

STATE OF ILLINOIS  
COMMISSION ON INTERGOVERNMENTAL COOPERATION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Seven Months Ended January 31, 2004

**FISCAL YEAR 2004**

There were no variances in receipts that required explanation.



STATE OF ILLINOIS  
COMMISSION ON INTERGOVERNMENTAL COOPERATION  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Seven Months Ended January 31, 2004

**FISCAL YEAR 2004**

There were no lapse period expenditures since the Commission merged into the Legislative Research Unit on February 1, 2004.

STATE OF ILLINOIS  
COMMISSION ON INTERGOVERNMENTAL COOPERATION  
**ANALYSIS OF OPERATIONS**

For the Seven Months Ended January 31, 2004

**AGENCY FUNCTIONS AND PLANNING PROGRAM**

**Introduction**

Effective February 1, 2004, the Legislative Commission Reorganization Act of 1984, as amended (25 ILCS 130/4-1) transferred all powers, duties, rights, responsibilities, personnel, assets, liabilities, and indebtedness of the Illinois Commission on Intergovernmental Cooperation to the Legislative Research Unit.

**Background**

The Illinois Commission on Intergovernmental Cooperation (Commission) was a bipartisan legislative support service agency. The Commission was statutorily established in 1973 to assist members of the General Assembly in the area of federal/state/local governmental relations and to advance the cooperation between Illinois and other units of government.

Since 1984, the Commission had been under the direction of twelve legislative members who were appointed by the Joint Committee on Legislative Support Services to serve two-year terms. The Joint Committee also appointed an executive director who was responsible for directing the activities of 8 staff members in the Springfield office and Chicago office. At the request of legislators, Commission staff conducted research on intergovernmental problems and analyzed federal policies, budgets and regulations, federal and state aid, state and local relations, and cooperative interstate programs and activities.

**Functions**

Some of the important service functions of the Commission staff were federal program analysis, short-term research, liaison with federal and local agencies and officials, reports on significant issues, publication of a newsletter, and maintenance of State, Federal, and local sources of information.

As part of the Commission's responsibility to monitor federal grant activities, the staff tracked federal grants awarded to State agencies and the potential fiscal impact of proposed federal budgets and of congressional appropriations. The Commission sponsored conferences and prepared material on topics such as health care reform, welfare reform, higher education, model Illinois government, Illinois women in government, and the American Disabilities Act.

## **Planning**

Illinois statutes determined the objectives of the Commission. At the beginning of each fiscal year, the Commission prepared a detailed budget narrative, which described the top five priorities the Commission would be working towards for the fiscal year.

The Commission held staff meetings as needed to assess the progress of meeting the prioritized goals set forth and to monitor short-term objectives.

## **Auditor's Assessment**

The Commission's planning program appears to have been adequate to meet the statutorily defined functions of the Commission.

## **AVERAGE NUMBER OF EMPLOYEES**

The following table, prepared from Agency records, presents the average number of employees, by function, for the Fiscal Year ended June 30, 2003 and the seven months ended January 31, 2004.

	<u>2004</u>	<u>2003</u>
Executive Director	0	1
Associate Director	1	1
Fiscal Officer	1	1
Project Coordinator/Office Manager	1	1
Editor	1	1
Research Director	1	1
Research Associate	1	3
Research Assistant	1	1
Federal Aid Coordinator	1	1
Total	<u>8</u>	<u>11</u>

**SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)**

The services provided by the Commission fall into two main areas: tracking of federal aid received by the State of Illinois and researching various topics and publishing reports on those topics. Activity for these areas during the seven months ended January 31, 2004 is summarized below:

- Tracking Federal Aid – Illinois State agencies participate in approximately 375 federal programs per year. For the seven months ended January 31, 2004, the Commission tracked federal aid distributed within the State of Illinois. At February 1, 2004, those duties were officially transferred to the Legislative Research Unit. During FY04, federal grants totaled \$12.521 billion to the State.

<u>Research and Publications</u>	<u>Seven Months Ended January 31, 2004</u>
Routine publications and reports:	
- Published weekly	2
- Published bi-monthly	1
- Published monthly	1
- Published quarterly	2
- Published annually	3
- Published biennially	1
Other reports and surveys	2
Issues researched	11