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**STATE OF ILLINOIS**

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**OFFICE OF THE AUDITOR GENERAL**

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**MANAGEMENT AUDIT  
OF THE  
STATE'S FINANCIAL REPORTING SYSTEM**

**FEBRUARY 2011**

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**WILLIAM G. HOLLAND**

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**AUDITOR GENERAL**

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OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

*To the Legislative Audit Commission, the Speaker  
and Minority Leader of the House of Representatives,  
the President and Minority Leader of the Senate, the  
members of the General Assembly, and the  
Governor:*

This is our report of the Management Audit of the State's financial reporting system.

The audit was conducted pursuant to Senate Resolution Number 609, which was adopted March 4, 2010. This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310.

The audit report is transmitted in conformance with Section 3-14 of the Illinois State Auditing Act.

A handwritten signature in blue ink, appearing to read "William G. Holland". The signature is stylized and includes a large, sweeping flourish that extends upwards and to the right.

<sup>1</sup>  
WILLIAM G. HOLLAND  
Auditor General

Springfield, Illinois  
February 2011





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

William G. Holland, Auditor General

**SUMMARY REPORT DIGEST**

**STATE'S FINANCIAL REPORTING SYSTEM**

**MANAGEMENT AUDIT**

**Release Date: February 2011**

**SYNOPSIS**

**The State of Illinois' financial reporting "system" is comprised of over 260 individual financial systems, many of which are not interrelated, are antiquated, and are costly to operate. The lack of a centralized financial reporting system has considerable negative consequences, including untimely financial reporting of the true financial position of the State. The lack of timely financial reporting limits effective oversight of State finances, adversely affects the State's bond rating, and jeopardizes federal funding.**

Specifically we found the following:

- Agencies reported using 263 different financial reporting systems.
- Agencies reported that only 16 percent of the systems are compliant with Generally Accepted Accounting Principles (GAAP).
- Half of the financial reporting systems in use at State agencies are more than 10 years old.
- Fifty-three percent of the financial reporting systems are not interrelated which consequently requires manual intervention to convert data from one system so it can be used in another.
- The total estimated cost of maintaining the systems in fiscal year 2010 was not determinable. Agencies provided cost estimates totaling \$24 million which covered only 56 percent of the systems.

In addition to the lack of a centralized GAAP compliant financial reporting system, other factors have an adverse impact on the timeliness and accuracy of financial reporting:

- The Comptroller's Office is responsible for financial reporting but does not have authority over the agencies from which it collects information. Furthermore, there is no penalty if the agencies do not cooperate with the Comptroller. The Comptroller's Office and the Governor's Office should work together to establish financial reporting target completion dates and ensure that such dates are met.
- The State of Illinois has a complex fund structure that utilized an estimated 900 funds in fiscal year 2009. A complex fund structure increases the level of effort necessary to account for and report transactions and increases the risk of errors and omissions.
- Many State agencies have a lack of competent trained staff in the area of financial reporting and reported that the personnel system impedes their ability to hire qualified staff.



## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

### REPORT CONCLUSIONS

**The State of Illinois' financial reporting "system" is comprised of over 260 individual financial systems, many of which are not interrelated, are antiquated, and are costly to operate. The lack of a centralized financial reporting system has considerable negative consequences, including untimely financial reporting of the true financial position of the State. The lack of timely financial reporting limits effective oversight of State finances, adversely affects the State's bond rating, and jeopardizes federal funding.**

#### Financial Reporting Systems at State Agencies

Senate Resolution Number 609 asked us to analyze the State's current financial reporting procedures, practices, and system. To accomplish this, we surveyed all agencies of the primary government. We received responses from 88 of the 90 agencies surveyed.

**Agencies reported using 263 different financial reporting systems.**

**The survey results show that Illinois has a highly fragmented and decentralized financial reporting system. Agencies reported using 263 different financial reporting systems.** The total number of systems is **higher** since two agencies did not respond to the survey, and there were seven other systems that we identified at four agencies that are not included in the total.

**The total estimated cost of maintaining the systems in fiscal year 2010 was not determinable.** Agencies provided cost estimates totaling **\$24 million** which covered only 56 percent of the systems. (See Digest Exhibit 1.) There were also instances where agencies provided cost information for one cost component but either didn't know or could not calculate other cost components which further understates the total cost of maintaining the systems.

**Agencies reported that only 16 percent of the systems are compliant with Generally Accepted Accounting Principles (GAAP).**

**The vast majority of the systems used for financial reporting are not compliant with Generally Accepted Accounting Principles (GAAP).** Agencies responded that only 16 percent of the systems were GAAP compliant. This percentage is likely even lower. GAAP reporting provides a more complete picture of an entity's true financial position by capturing expenses that the government owes but has not yet paid, as well as revenue which it is owed but has not yet received. Illinois does not complete its annual GAAP-compliant financial report until almost **a year after the end of the fiscal year**. In contrast, many businesses prepare quarterly reports, as well as annual reports that are issued

Digest Exhibit 1 COST OF MAINTAINING THE SYSTEMS	
Cost Component	Estimated Cost
Personnel costs	\$11,764,349
Payments to other agencies	\$8,181,076
Contracts	\$1,756,346
Hardware costs	\$1,105,358
Other costs	\$184,401
<b>Total:</b>	<b>\$22,991,530</b>
Cost to maintain the four CMS common systems:	\$1,023,145
<b>Grand Total:</b>	<b>\$24,014,675 <sup>1</sup></b>
Note: <sup>1</sup> This total is a conservative estimate; cost estimates were provided for only 56 percent of the systems.	
Source: OAG analysis of agency surveys.	

within two or three months of the end of the fiscal year. A statewide system that maintains information on a GAAP basis or routinely converts information to a GAAP basis would drastically reduce the amount of time spent by agencies during the year-end GAAP conversion process.

**Half of the financial reporting systems in use at State agencies are more than 10 years old.**

**Half of the financial reporting systems in use at State agencies are more than 10 years old.** Many of these are archaic systems that were first installed more than 20 years ago. As the systems age, updating and maintaining the systems becomes an issue. Also, the ability to interface with other systems becomes more difficult. This limits flexibility and adds cost due to duplication of work.

**Fifty-three percent of the financial reporting systems are not interrelated which consequently requires manual intervention to convert data from one system so it can be used in another.**

**Fifty-three percent of the financial reporting systems are not interrelated which consequently requires manual intervention to convert data from one system so it can be used in another.** When data is converted or manually reentered, it adds time to the process and increases the likelihood of errors. This duplicate work also adds substantial costs in operating the systems. **The total estimated annual cost resulting from duplicated data entry was not determinable. For 17 percent of the systems, agencies estimated the annual cost resulting from duplicated data entry was \$11.3 million.** Agencies did not include a response for 24 percent of the systems. Also, agencies noted that three percent of the systems had duplication of effort but did not provide enough information to calculate the cost.

The estimated cost for agency fiscal staff to complete the year-end GAAP conversion process was not determinable. Based on the responses received, the cost was at least \$3.7 million.



Two of the larger agencies, Transportation and Human Services, did not provide a cost estimate. In addition, 23 agencies contract with consultants to provide assistance with financial reporting or in preparing GAAP packages. In fiscal year 2010, this amount totaled \$991,000.

**Approximately one of every three agencies felt that lack of staff and lack of trained staff impacted their ability to complete year-end reporting in a timely and accurate manner and that the State's personnel system impeded the agency's ability to hire qualified staff.**

Approximately one of every three agencies felt that **lack of staff** and **lack of trained staff** impacted their ability to complete year-end reporting in a timely and accurate manner. Approximately one of every three agencies also felt that the State's personnel system impeded the agency's ability to hire qualified staff. We recommended that the Governor's Office work with agency fiscal staff to ensure that agencies have the staff needed in the area of financial reporting and to work with Central Management Services to make any needed adjustments to the current personnel system so that agencies can obtain qualified staff. Sufficient staff which are qualified and adequately trained in financial reporting are critical for any reporting system to be successful.

The State of Illinois' current financial reporting process does not allow the State to prepare a complete and accurate Comprehensive Annual Financial Report (CAFR) or the Schedule of Expenditures of Federal Awards (SEFA) in a timely manner. Failure to submit GAAP packages in a timely fashion along with failing to submit GAAP packages accurately have been major reasons for the delays in completing the CAFR. Eighteen percent of agencies responded that the systems used do not allow the agency to complete GAAP packages in a timely fashion. This 18 percent included four of the largest seven agencies based on fiscal year 2010 appropriated expenditures and cumulatively accounted for 28 percent of the State's total fiscal year 2010 appropriated expenditures. (pages 21 – 40)

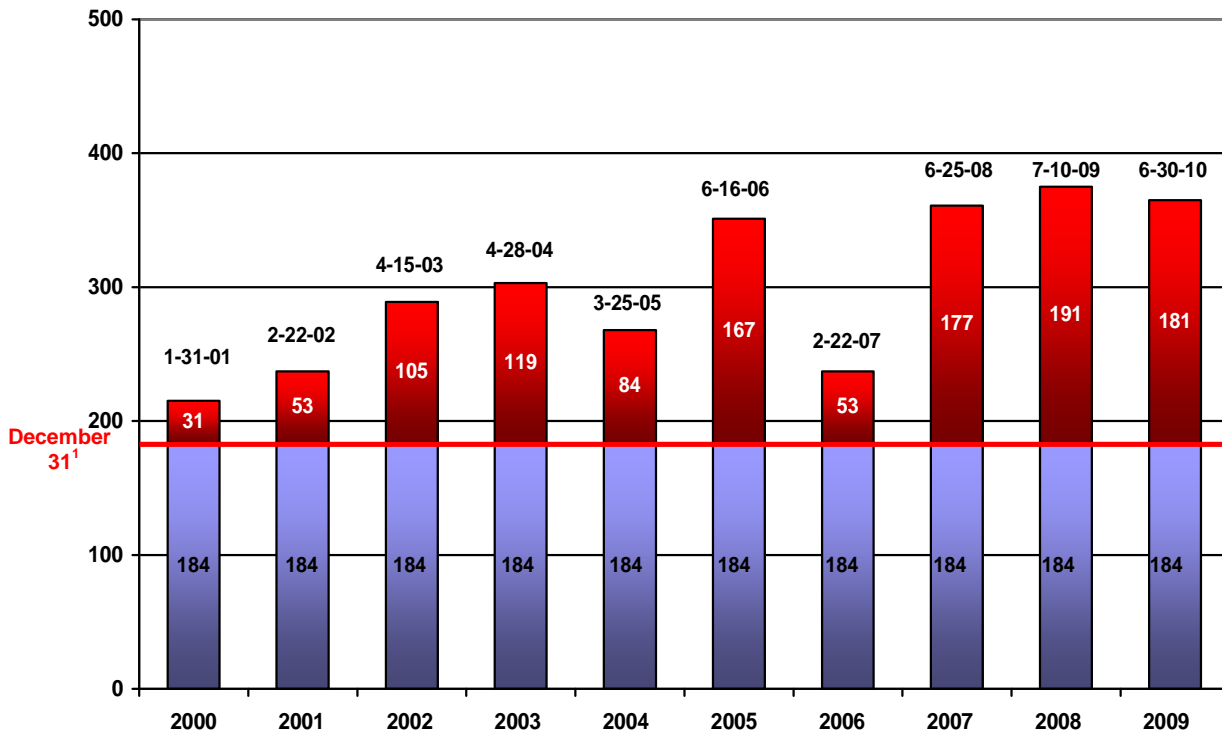
### **Comprehensive Annual Financial Report (CAFR)**

In the last three years, Illinois' CAFR was not completed until approximately one year after the end of the fiscal year. (See Digest Exhibit 2.) The delays in releasing the CAFR are significant for a number of different reasons:

**The late release of the State's CAFR has an adverse affect on State financial management/oversight and is a negative factor affecting bond ratings.**

- **State Financial Management/Oversight Adversely Affected.** Legislative and oversight bodies are one of the primary users of financial reports. When financial reports are not available, legislative and oversight officials are forced to use outdated information or unaudited numbers.
- **Negative Factor Affecting Bond Ratings.** The audited financial statements contained in the CAFR are one of the primary documents used by the bond rating agencies when assessing the State's financial

Digest Exhibit 2  
**DAYS TO COMPLETE CAFR**  
 From End of Fiscal Year



<sup>1</sup> December 31 is the deadline recommended by the Government Finance Officers Association.

Source: OAG analysis of Comprehensive Annual Financial Reports.

condition. The bond rating agencies view negatively the late release of the audited financial statements. Illinois' untimely financial reports have been highlighted as negative factors in two recent reports issued by Moody's.

- Noncompliance with Governmental Accounting Standards Board (GASB) Concepts Statement No. 1 Objectives of Financial Reporting.** Regarding timeliness, it states "If financial reports are to be useful, they must be issued soon enough after the reported events to affect decisions...the passage of time usually diminishes the usefulness that the information otherwise would have had." The untimely release of the State's CAFR is not in compliance with the most basic of financial reporting objectives. (pages 40 – 43)

**Statewide Single Audit**

Since 2000, Illinois has not completed the Statewide Single Audit within the required nine month deadline and has shown no improvement towards meeting the deadline. The delay in

**In the last 10 years, Illinois has not completed the Statewide Single Audit within the required nine month deadline and has shown no improvement towards meeting the deadline.**

**Untimely financial reporting could have a negative impact on federal funding.**

**Untimely financial reporting hampers oversight and adds to the cost of administering the programs.**

completing and submitting the Statewide Single Audit is significant for a number of different reasons:

- **Noncompliance with Federal Single Audit Time Requirements.** The federal government requires most entities that receive federal awards to have an audit conducted which must be submitted within nine months after the end of the fiscal year. The federal government has also considered shortening the timeframe for submitting the single audit from nine months to six months.
- **Negative Impact on Federal Funding.** Each year, the State of Illinois depends heavily on funding received from the federal government. In fiscal year 2009, Illinois expended \$23.7 billion in federal awards. Officials from the federal Department of Health and Human Services, which is the federal oversight agency for Illinois, noted that, although it was unlikely that a State would lose its federal funding, untimely financial reporting could have an effect on the amount of discretionary funding received. In May 2010, the Illinois Student Assistance Commission received a letter from the U.S. Department of Education regarding the single audit. The letter stated that if the audit was not submitted within 15 days, it would be classified as missing. The letter further stated that the Secretary of Education may "...suspend the payment of account maintenance fees, default fees, and claims to an entity that does not submit its audit within the required time period."
- **Hampers Oversight and Adds to the Cost of Administering the Programs.** One result of late reporting is increased scrutiny from the federal government. Increased scrutiny has several effects including making it more costly for the state to administer the program.

We recommended that the Governor's Office and the Office of the Comptroller develop and implement a plan to correct the problems with the current financial reporting process and begin overhauling the State's financial reporting system. (pages 43 – 46)

### **Results from Other States**

Senate Resolution Number 609 asked us to survey other states to determine their methods of financial reporting and any advantages or disadvantages to those methods. To accomplish this, we surveyed the state officials responsible for preparing the Comprehensive Annual Financial Report (CAFR) in the 50 states and the District of Columbia. We received responses

from 67 percent (34 of 51) of the states surveyed.

**Illinois was one of only three states that reported having a decentralized financial reporting system.**

Illinois was one of only three states that reported having a decentralized financial reporting system. Including Illinois, 9 percent (3 of 34) of the states responding had a decentralized financial reporting system. For 62 percent (21 of 34), the states had a centralized financial reporting system but it was not GAAP compliant. This means that the preparer of the CAFR does a conversion or reconciliation process for GAAP reporting. For 24 percent (8 of 34), the states had a centralized financial reporting system that generated GAAP compliant information. This type of system is the most desirable option.

In the last five years, 8 of our 34 responding states have either implemented or began the implementation process for a new centralized financial reporting system. The cost of implementing a new financial reporting system ranged from \$7.2 million in Rhode Island to \$158 million in Ohio. Of the eight states, Ohio was the only one that reported a vendor developed system. The other systems were either purchased off the shelf or purchased off the shelf and then tailored to meet the needs of the state. Georgia implemented a system that cost only \$485,000 but it was not comparable to the other systems because it was a consolidation and reporting system that feeds data from an underlying system.

In addition, ongoing costs are a part of maintaining a centralized financial reporting system. We asked the eight states with newer systems how much is spent in software maintenance, application management, enhancements and other costs. Total ongoing costs for four of the states ranged from Rhode Island spending the least, with \$1.65 million annually, to Tennessee spending the most at \$17 million annually.

**Compared to the other states over the last five years, Illinois has ranked 49<sup>th</sup>, 41<sup>st</sup>, 49<sup>th</sup>, 50<sup>th</sup>, and 49<sup>th</sup> in releasing its CAFR.**

We compared Illinois' timeliness in releasing the CAFR and Statewide Single Audit with the other 49 states and the District of Columbia. In the last five years, Illinois has ranked 49<sup>th</sup>, 41<sup>st</sup>, 49<sup>th</sup>, 50<sup>th</sup>, and 49<sup>th</sup> in releasing its CAFR. Similarly, Illinois ranked second to last in releasing its most recent Statewide Single Audit, releasing it 119 days past the nine month deadline. Over the last five years, Illinois has ranked 40<sup>th</sup> (of 45), 43<sup>rd</sup> (of 45), 40<sup>th</sup> (of 46), 43<sup>rd</sup> (of 47), and 46<sup>th</sup> (of 47) in releasing the Statewide Single Audit.

We asked states if there were any consequences to an agency for not complying with reporting deadlines. Of the states responding, 14 responded yes, 19 responded no, and 1 state responded that there are consequences for CAFR late reporting but not for SEFA. (pages 48 – 63)

## Implementation Issues

When conducting a system implementation project, there are practices to avoid and others to embrace that can increase the likelihood of a successful implementation. In reviewing system failures and literature espousing best practices, a few basic themes appear to come to the forefront:

- Project Management – Project management is the discipline of planning, organizing, securing and managing resources to bring about the successful completion of project goals and objectives.
- End User Participation – When end users are actively included in the development process, including the development of system specifications, design of functional requirements, and user acceptance testing, such involvement is likely to result in increased user satisfaction and the perceived usefulness of the system.
- Constant communication – Communication must flow freely and constantly between management, developers, end users, project management, and independent reviewers.

There are many different reasons why system implementations fail; however, the following list outlines some of the most common problems.

- Lack of top management commitment;
- Inadequate project management process;
- Inadequate scope management;
- A lack of experience defining the functional requirements;
- Lack of communication;
- Poor or no quality assurance process; and
- Inadequate training and education. (pages 66 – 71)

## Other Issues

**The amount of training offered by the Comptroller and attendance at those trainings has declined in recent years.**

The amount of training offered by the Comptroller and attendance at those trainings has declined in recent years. The most recent Basic GAAP training course was only attended by 15 employees from 8 agencies. A GAAP Update training course has not been held since 2008. In our agency survey, 33 percent (25 of 75) of agencies responding indicated that additional training from the Comptroller's Office on GAAP reporting would be beneficial. We recommended that the Comptroller's Office assess its training approach and develop a new policy on agency training.

It is also critical that agencies are aware of new standards that impact financial reporting. While agencies need to take the initiative to be aware of new standards, the Comptroller's Office needs to provide information on these standards and how they will affect reporting to the Comptroller. In our agency survey, 27 percent (21 of 77) responded that they did not receive timely information from the Comptroller on new standards.

**There has been a lack of cooperation amongst the principals involved in Illinois' financial reporting process.**

There has been a lack of cooperation amongst the principals involved in Illinois' financial reporting process. The Comptroller collects information from agencies and completes the CAFR. However, the Comptroller does not have authority over these agencies and there is no penalty if the agencies do not comply with the Comptroller's established due dates. We recommended that the Comptroller's Office and the Governor's Office work together to establish and monitor financial reporting target completion dates. Cooperation would also aid in making sure agencies are complying with completion dates and submitting requested information in a timely manner.

**The State of Illinois maintains an inordinate number of funds; an estimated 900 different funds were utilized in fiscal year 2009.**

The State of Illinois maintains an inordinate number of funds. In response to our survey, the Comptroller's Office estimated that 900 different funds were utilized in fiscal year 2009. A complex fund structure increases the level of effort necessary to account for and report transactions and increases the risk of errors and omissions. Since agencies are required to complete a GAAP package for each fund in which they have activity, many agencies are required to submit multiple GAAP packages. In fiscal year 2009, **12 agencies were required to submit 30 or more GAAP packages.** We recommended that the Governor's Office and the Comptroller's Office work with the General Assembly to reduce the complexity of the State's fund structure. (pages 73 – 80)

**RECOMMENDATIONS**

The audit report contains five recommendations; one to the Governor's Office, one to the Comptroller's Office, and three to both. The Governor's Office and the Comptroller's Office agreed with all of the recommendations. Appendix F to the audit report contains the Governor's Office and the Comptroller's Office responses.



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WILLIAM G. HOLLAND  
Auditor General

WGH:DJB

AUDITORS ASSIGNED: This Management Audit was performed by the Office of the Auditor General's staff.

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## GLOSSARY OF TERMS

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**Asset** – Something valuable that an entity owns, benefits from, or has use of, in generating income. In accounting, an asset is something an entity has acquired or purchased, and which has money value (its cost, book value, market value, or residual value).

**Cash** – Ready money. For accounting purposes, cash can include petty cash, bank account balance, customer checks, and marketable securities. It may also include the unutilized portion of an overdraft facility or line of credit.

**Cash Basis Accounting** – Income is recorded when cash is received, and expenses are recorded when cash is paid out. Does not conform with the provisions of GAAP and is not considered a good management tool because it leaves a time gap between recording the cause of an action and its result.

**Catalog of Federal Domestic Assistance (CFDA)** – Provides a full listing of all Federal programs available to State and local governments.

**Common Systems** – Applications developed by Central Management Services (CMS) for use by multiple State agencies. These include Accounting Information System (AIS), Central Inventory System (CIS), Central Payroll System (CPS), and Central Time and Attendance System (CTAS).

**Component Unit** – A “dependent” governmental unit for which elected officials of a primary government are financially accountable.

**Comprehensive Annual Financial Report (CAFR)** – A report published once a year by each state that contains a detailed view of the state’s financial condition including the audited financial statements. In Illinois, the CAFR is prepared by the Office of the Comptroller.

**Generally Accepted Accounting Principles (GAAP)** – A collection of rules, procedures, and conventions that define accepted accounting practice; includes broad guidelines as well as detailed procedures. GAAP reporting requires each State agency to make appropriate adjustments to budgetary basis accounts on a fund-by-fund basis to reflect a modified accrual or GAAP basis financial statement presentation.

**GAAP Compliant** – A financial reporting system which generates financial information that complies with Generally Accepted Accounting Principles (GAAP), such as accounting for all assets, liabilities, and net assets/fund balances.

**GAAP Package** – Financial information that each State agency is required to submit on an annual basis, to the Comptroller. This information is generally due between August 15 and August 31.

**GAAP Process** – The lengthy process which involves gathering State agency financial data, converting it to a GAAP basis, ensuring accuracy, and then compiling the Comprehensive Annual Financial Report (CAFR) and Schedule of Expenditures of Federal Awards (SEFA).

**Governmental Accounting Standards Board (GASB)** – The independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. It is recognized by governments, the accounting industry, and the capital markets as the official source of generally accepted accounting principles (GAAP) for state and local governments.

**Liabilities** – Accounts and wages payable, accrued rent and taxes, trade debt, and short and long-term loans.

**Modified Accrual Basis Accounting** – Method under which revenues are recognized in the period they become available and measurable, and expenditures are recognized in the period the associated liability is incurred.

**Primary Government** – A governing body elected by the unit’s citizens in a general election.

**SCO Forms** – Forms designed by the Illinois State Comptroller’s Office for use with GAAP package preparation and submittal.

**Schedule of Expenditures of Federal Awards (SEFA)** – A compilation by the Comptroller of all the information reported by State agencies on financial reporting forms pertaining to federal funds. It is contained within the Statewide Single Audit.

**Statewide Accounting Management System (SAMS)** – A system implemented on July 1, 1997, by the Office of the Comptroller and is used for processing the State’s accounting transactions.

**Statewide Single Audit** – Prepared by the Office of the Auditor General and is conducted in lieu of multiple audits of individual programs. It is required to be completed within nine months of the end of the fiscal year.

**Web-based Electronic Data Gathering Environment (WEDGE)** – A computer system at the Office of the Comptroller used to prepare the CAFR. It is used by State agencies to enter information and submit GAAP packages.

# INTRODUCTION AND BACKGROUND

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## REPORT CONCLUSIONS

**The State of Illinois' financial reporting "system" is comprised of over 260 individual financial systems, many of which are not interrelated, are antiquated, and are costly to operate. The lack of a centralized financial reporting system has considerable negative consequences, including untimely financial reporting of the true financial position of the State. The lack of timely financial reporting limits effective oversight of State finances, adversely affects the State's bond rating, and jeopardizes federal funding.**

In addition to the lack of a centralized GAAP (Generally Accepted Accounting Principles) compliant financial reporting system, other factors have an adverse impact on the timeliness and accuracy of financial reporting:

- The Comptroller's Office is responsible for financial reporting but does not have authority over the agencies from which it collects information. Furthermore, there is no penalty if the agencies do not cooperate with the Comptroller. The Comptroller's Office and the Governor's Office should work together to establish financial reporting target completion dates and ensure that such dates are met.
- The State of Illinois has a complex fund structure that utilized an estimated 900 funds in fiscal year 2009. A complex fund structure increases the level of effort necessary to account for and report transactions and increases the risk of errors and omissions.
- Many State agencies have a lack of competent trained staff in the area of financial reporting and reported that the personnel system impedes their ability to hire qualified staff.

### Financial Reporting Systems at State Agencies

Senate Resolution Number 609 asked us to analyze the State's current financial reporting procedures, practices, and system. To accomplish this, we surveyed all agencies of the primary government. We received responses from 88 of the 90 agencies surveyed.

**The survey results show that Illinois has a highly fragmented and decentralized financial reporting system. Agencies reported using 263 different financial reporting systems.** The total number of systems is **higher** since two agencies did not respond to the survey, and there were seven other systems that we identified at four agencies that are not included in the total.

**The total estimated cost of maintaining the systems in fiscal year 2010 was not determinable.** Agencies provided cost estimates totaling **\$24 million** which covered only 56 percent of the systems. There were also instances where agencies provided cost information for one cost component but either didn’t know or could not calculate other cost components which further understates the total cost of maintaining the systems.

**The vast majority of the systems used for financial reporting are not compliant with Generally Accepted Accounting Principles (GAAP).** Agencies responded that only 16 percent of the systems were GAAP compliant. This percentage is likely even lower. GAAP reporting provides a more complete picture of an entity’s true financial position by capturing expenses that the government owes but has not yet paid, as well as revenue which it is owed but has not yet received. Illinois does not complete its annual GAAP-compliant financial report until almost **a year after the end of the fiscal year**. In contrast, many businesses prepare quarterly reports, as well as annual reports that are issued within two or three months of the end of the fiscal year. A statewide system that maintains information on a GAAP basis or routinely converts information to a GAAP basis would drastically reduce the amount of time spent by agencies during the year-end GAAP conversion process.

**Half of the financial reporting systems in use at State agencies are more than 10 years old.** Many of these are archaic systems that were first installed more than 20 years ago. As the systems age, updating and maintaining the systems becomes an issue. Also, the ability to interface with other systems becomes more difficult. This limits flexibility and adds cost due to duplication of work.

**Fifty-three percent of the financial reporting systems are not interrelated which consequently requires manual intervention to convert data from one system so it can be used in another.** When data is converted or manually reentered, it adds time to the process and increases the likelihood of errors. This duplicate work also adds substantial costs in operating the systems. **The total estimated annual cost resulting from duplicated data entry was not determinable. For 17 percent of the systems, agencies estimated the annual cost resulting from duplicated data entry was \$11.3 million.** Agencies did not include a response for 24 percent of the systems. Also, agencies noted that three percent of the systems had duplication of effort but did not provide enough information to calculate the cost.

The estimated cost for agency fiscal staff to complete the year-end GAAP conversion process was not determinable. Based on the responses received, the cost was at least \$3.7 million. Two of the larger agencies, Transportation and Human Services, did not provide a cost estimate. In addition, 23 agencies contract with consultants to provide assistance with financial reporting or in preparing GAAP packages. In fiscal year 2010, this amount totaled \$991,000. Approximately one of every three agencies felt that **lack of staff** and **lack of trained staff** impacted their ability to complete year-end reporting in a timely and accurate manner. Approximately one of every three agencies also felt that the State’s personnel system impeded the agency’s ability to hire qualified staff. We recommended that the Governor’s Office work with agency fiscal staff to ensure that agencies have the staff needed in the area of financial reporting and to work with Central Management Services to make any needed adjustments to the current personnel system so that agencies can obtain qualified staff. Sufficient staff which are



qualified and adequately trained in financial reporting are critical for any reporting system to be successful.

The State of Illinois' current financial reporting process does not allow the State to prepare a complete and accurate Comprehensive Annual Financial Report (CAFR) or the Schedule of Expenditures of Federal Awards (SEFA) in a timely manner. Failure to submit GAAP packages in a timely fashion along with failing to submit GAAP packages accurately have been major reasons for the delays in completing the CAFR. Eighteen percent of agencies responded that the systems used do not allow the agency to complete GAAP packages in a timely fashion. This 18 percent included four of the largest seven agencies based on fiscal year 2010 appropriated expenditures and cumulatively accounted for 28 percent of the State's total fiscal year 2010 appropriated expenditures.

### **Comprehensive Annual Financial Report (CAFR)**

In the last three years, Illinois' CAFR was not completed until approximately one year after the end of the fiscal year. The delays in releasing the CAFR are significant for a number of different reasons:

- **State Financial Management/Oversight Adversely Affected.** Legislative and oversight bodies are one of the primary users of financial reports. When financial reports are not available, legislative and oversight officials are forced to use outdated information or unaudited numbers.
- **Negative Factor Affecting Bond Ratings.** The audited financial statements contained in the CAFR are one of the primary documents used by the bond rating agencies when assessing the State's financial condition. The bond rating agencies view negatively the late release of the audited financial statements. Illinois' untimely financial reports have been highlighted as negative factors in two recent reports issued by Moody's.
- **Noncompliance with Governmental Accounting Standards Board (GASB) Concepts Statement No. 1 Objectives of Financial Reporting.** Regarding timeliness, it states "If financial reports are to be useful, they must be issued soon enough after the reported events to affect decisions...the passage of time usually diminishes the usefulness that the information otherwise would have had." The untimely release of the State's CAFR is not in compliance with the most basic of financial reporting objectives.

### **Statewide Single Audit**

Since 2000, Illinois has not completed the Statewide Single Audit within the required nine month deadline and has shown no improvement towards meeting the deadline. The delay in completing and submitting the Statewide Single Audit is significant for a number of different reasons:

- **Noncompliance with Federal Single Audit Time Requirements.** The federal government requires most entities that receive federal awards to have an audit

conducted which must be submitted within nine months after the end of the fiscal year. The federal government has also considered shortening the timeframe for submitting the single audit from nine months to six months.

- **Negative Impact on Federal Funding.** Each year, the State of Illinois depends heavily on funding received from the federal government. In fiscal year 2009, Illinois expended \$23.7 billion in federal awards. Officials from the federal Department of Health and Human Services, which is the federal oversight agency for Illinois, noted that, although it was unlikely that a State would lose its federal funding, untimely financial reporting could have an effect on the amount of discretionary funding received. In May 2010, the Illinois Student Assistance Commission received a letter from the U.S. Department of Education regarding the single audit. The letter stated that if the audit was not submitted within 15 days, it would be classified as missing. The letter further stated that the Secretary of Education may “...suspend the payment of account maintenance fees, default fees, and claims to an entity that does not submit its audit within the required time period.”
- **Hampers Oversight and Adds to the Cost of Administering the Programs.** One result of late reporting is increased scrutiny from the federal government. Increased scrutiny has several effects including making it more costly for the State to administer the program.

We recommended that the Governor’s Office and the Office of the Comptroller develop and implement a plan to correct the problems with the current financial reporting process and begin overhauling the State’s financial reporting system.

### **Results from Other States**

Senate Resolution Number 609 asked us to survey other states to determine their methods of financial reporting and any advantages or disadvantages to those methods. To accomplish this, we surveyed the state officials responsible for preparing the Comprehensive Annual Financial Report (CAFR) in the 50 states and the District of Columbia. We received responses from 67 percent (34 of 51) of the states surveyed.

Illinois was one of only three states that reported having a decentralized financial reporting system. Including Illinois, 9 percent (3 of 34) of the states responding had a decentralized financial reporting system. For 62 percent (21 of 34), the states had a centralized financial reporting system but it was not GAAP compliant. This means that the preparer of the CAFR does a conversion or reconciliation process for GAAP reporting. For 24 percent (8 of 34), the states had a centralized financial reporting system that generated GAAP compliant information. This type of system is the most desirable option.

In the last five years, 8 of our 34 responding states have either implemented or began the implementation process for a new centralized financial reporting system. The cost of implementing a new financial reporting system ranged from \$7.2 million in Rhode Island to \$158 million in Ohio. Of the eight states, Ohio was the only one that reported a vendor developed system. The other systems were either purchased off the shelf or purchased off the shelf and then tailored to meet the needs of the state. Georgia implemented a system that cost

only \$485,000 but it was not comparable to the other systems because it was a consolidation and reporting system that feeds data from an underlying system.

In addition, ongoing costs are a part of maintaining a centralized financial reporting system. We asked the eight states with newer systems how much is spent in software maintenance, application management, enhancements and other costs. Total ongoing costs for four of the states ranged from Rhode Island spending the least, with \$1.65 million annually, to Tennessee spending the most at \$17 million annually.

We compared Illinois' timeliness in releasing the CAFR and Statewide Single Audit with the other 49 states and the District of Columbia. In the last five years, Illinois has ranked 49<sup>th</sup>, 41<sup>st</sup>, 49<sup>th</sup>, 50<sup>th</sup>, and 49<sup>th</sup> in releasing its CAFR. Similarly, Illinois ranked second to last in releasing its most recent Statewide Single Audit, releasing it 119 days past the nine month deadline. Over the last five years, Illinois has ranked 40<sup>th</sup> (of 45), 43<sup>rd</sup> (of 45), 40<sup>th</sup> (of 46), 43<sup>rd</sup> (of 47), and 46<sup>th</sup> (of 47) in releasing the Statewide Single Audit.

We asked states if there were any consequences to an agency for not complying with reporting deadlines. Of the states responding, 14 responded yes, 19 responded no, and 1 state responded that there are consequences for CAFR late reporting but not for SEFA.

### **Implementation Issues**

When conducting a system implementation project, there are practices to avoid and others to embrace that can increase the likelihood of a successful implementation. In reviewing system failures and literature espousing best practices, a few basic themes appear to come to the forefront:

- Project Management – Project management is the discipline of planning, organizing, securing and managing resources to bring about the successful completion of project goals and objectives.
- End User Participation – When end users are actively included in the development process, including the development of system specifications, design of functional requirements, and user acceptance testing, such involvement is likely to result in increased user satisfaction and the perceived usefulness of the system.
- Constant communication – Communication must flow freely and constantly between management, developers, end users, project management, and independent reviewers.

There are many different reasons why system implementations fail; however, the following list outlines some of the most common problems.

- Lack of top management commitment;
- Inadequate project management process;
- Inadequate scope management;

- A lack of experience defining the functional requirements;
- Lack of communication;
- Poor or no quality assurance process; and
- Inadequate training and education.

### Other Issues

The amount of training offered by the Comptroller and attendance at those trainings has declined in recent years. The most recent Basic GAAP training course was only attended by 15 employees from 8 agencies. A GAAP Update training course has not been held since 2008. In our agency survey, 33 percent (25 of 75) of agencies responding indicated that additional training from the Comptroller’s Office on GAAP reporting would be beneficial. We recommended that the Comptroller’s Office assess its training approach and develop a new policy on agency training.

It is also critical that agencies are aware of new standards that impact financial reporting. While agencies need to take the initiative to be aware of new standards, the Comptroller’s Office needs to provide information on these standards and how they will affect reporting to the Comptroller. In our agency survey, 27 percent (21 of 77) responded that they did not receive timely information from the Comptroller on new standards.

There has been a lack of cooperation amongst the principals involved in Illinois’ financial reporting process. The Comptroller collects information from agencies and completes the CAFR. However, the Comptroller does not have authority over these agencies and there is no penalty if the agencies do not comply with the Comptroller’s established due dates. We recommended that the Comptroller’s Office and the Governor’s Office work together to establish and monitor financial reporting target completion dates. Cooperation would also aid in making sure agencies are complying with completion dates and submitting requested information in a timely manner.

The State of Illinois maintains an inordinate number of funds. In response to our survey, the Comptroller’s Office estimated that 900 different funds were utilized in fiscal year 2009. A complex fund structure increases the level of effort necessary to account for and report transactions and increases the risk of errors and omissions. Since agencies are required to complete a GAAP package for each fund in which they have activity, many agencies are required to submit multiple GAAP packages. In fiscal year 2009, **12 agencies were required to submit 30 or more GAAP packages**. We recommended that the Governor’s Office and the Comptroller’s Office work with the General Assembly to reduce the complexity of the State’s fund structure.

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## INTRODUCTION

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On March 4, 2010, the Illinois Senate adopted Senate Resolution Number 609 which directed the Auditor General to conduct an audit of the State’s financial reporting system (See Appendix A). The resolution directed that the audit include, but not be limited to, the following determinations:

- An analysis of the State’s current financial reporting procedures, practices, and systems, including the number of different systems used by the various State agencies, an estimate of the cost of maintaining those systems, and whether those systems are compliant with generally accepted accounting principles applicable to government; and
- A survey of other states to determine their methods of financial reporting and any advantages or disadvantages to those methods, with particular emphasis on those states, if any, with centralized automated reporting systems.

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## WHAT IS GAAP AND WHY IS IT NECESSARY

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Financial records are maintained on different bases of accounting. The differences generally come down to when a transaction is recognized. In Illinois, most State agencies maintain records throughout the year on a cash basis. On a cash basis, revenues are recorded when received and expenditures are recorded when paid. The cash basis is the simplest method of accounting. However, it does not conform with generally accepted accounting principles (GAAP).

The Office of the Comptroller prescribes, for financial reporting, that transactions must be reported in accordance with GAAP. This means instead of reporting on a cash basis, transactions are reported using the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the period they become available and measurable, and expenditures are recognized in the period the associated liability is incurred. Accrual accounting is an attempt to match revenues and expenses and place them in the same period. Exhibit 1-1 shows a simplified example that compares the cash basis to the GAAP basis. GAAP reporting provides a more complete picture of an entity’s true financial position by capturing expenses that the government owes but has not yet paid, as well as revenue which it is owed but has not yet received.

Since most State agencies maintain records on a cash basis, these records must be converted to a GAAP basis for year-end financial reporting purposes. This is the GAAP reporting process. The following sections describe financial reporting in Illinois and the GAAP reporting process.

Exhibit 1-1 <b>CASH BASIS vs. GAAP BASIS</b>		
Mr. X begins the day with \$1,000. He owns nothing else, no one owes him, and he owes no one else.		
<u>Cash Basis</u>		<u>GAAP Basis</u>
\$ 1,000	Mr. X's beginning net worth.	\$ 1,000
- \$ 5	Mr. X buys coffee – pays cash.	- \$ 5
+ \$ 20	Mr. X receives a birthday gift of \$20.	+ \$ 20
0	Mr. X buys lunch – uses credit card.	- \$ 10
0	Mr. X works 8 hours at \$20 per hour. He won't get paid until next week.	+ \$ 160
- \$ 25	Mr. X has a dentist appointment. The bill is \$300. He pays \$25 cash and promises to pay the remaining \$275 later.	- \$ 300
- \$ 10	<u>Net change in Mr. X's net worth during the day.</u>	- \$ 135
<u>\$ 990</u>	<u>Mr. X's ending net worth.</u>	<u>\$ 865</u>
Mr. X's net worth at the end of the day consists of:		
\$ 990	Cash	\$ 990
-	Credit card bill for lunch	- \$ 10
-	Salary due from work	+ \$ 160
-	Bill due to the dentist	- \$ 275
<u>\$ 990</u>	<u>Total</u>	<u>\$ 865</u>

Source: OAG prepared example of cash basis vs. GAAP basis.

## OVERVIEW OF FINANCIAL REPORTING IN ILLINOIS

The Illinois Constitution states that the Comptroller shall maintain the State's central fiscal accounts, and order payments into and out of the funds held by the Treasurer. The State Comptroller Act (15 ILCS 405) establishes the Comptroller as the chief fiscal control officer of the State of Illinois. The Act states that the Comptroller shall specify and establish the financial accounting and reporting standards and principles to be used by all State government and State agencies. The Act also states that the Comptroller shall develop and prescribe for the use of all State agencies a uniform accounting system and keep accounts with respect to each State agency. According to the Comptroller, as a result, the Statewide Accounting Management System (SAMS) has been developed for use by all State agencies in order to provide meaningful financial information.

While not specifically required in statute, the Comptroller also prepares the State's Comprehensive Annual Financial Report (CAFR) which presents a thorough and detailed view of the State's financial condition. To compile the CAFR, the Comptroller collects financial information from State agencies. The day-to-day accounting records throughout the State of Illinois are generally maintained on the budgetary or cash basis of accounting. To complete the CAFR, the process requires a conversion to a GAAP basis. After the end of each fiscal year, which is June 30 in the State of Illinois, each State agency is required to submit annual GAAP reporting packages to the Comptroller. GAAP packages are generally due between August 15 and August 31 except for some complex, federally funded agencies, component units, and pension packages (due September 30).

A simplified look at Illinois' financial reporting process is presented in Exhibit 1-2. The exhibit also shows when each step ideally should be completed and when it was actually completed for fiscal year 2009. As will be discussed later in this chapter, the actual financial reporting process is much more complicated than the summary shown in Exhibit 1-2.

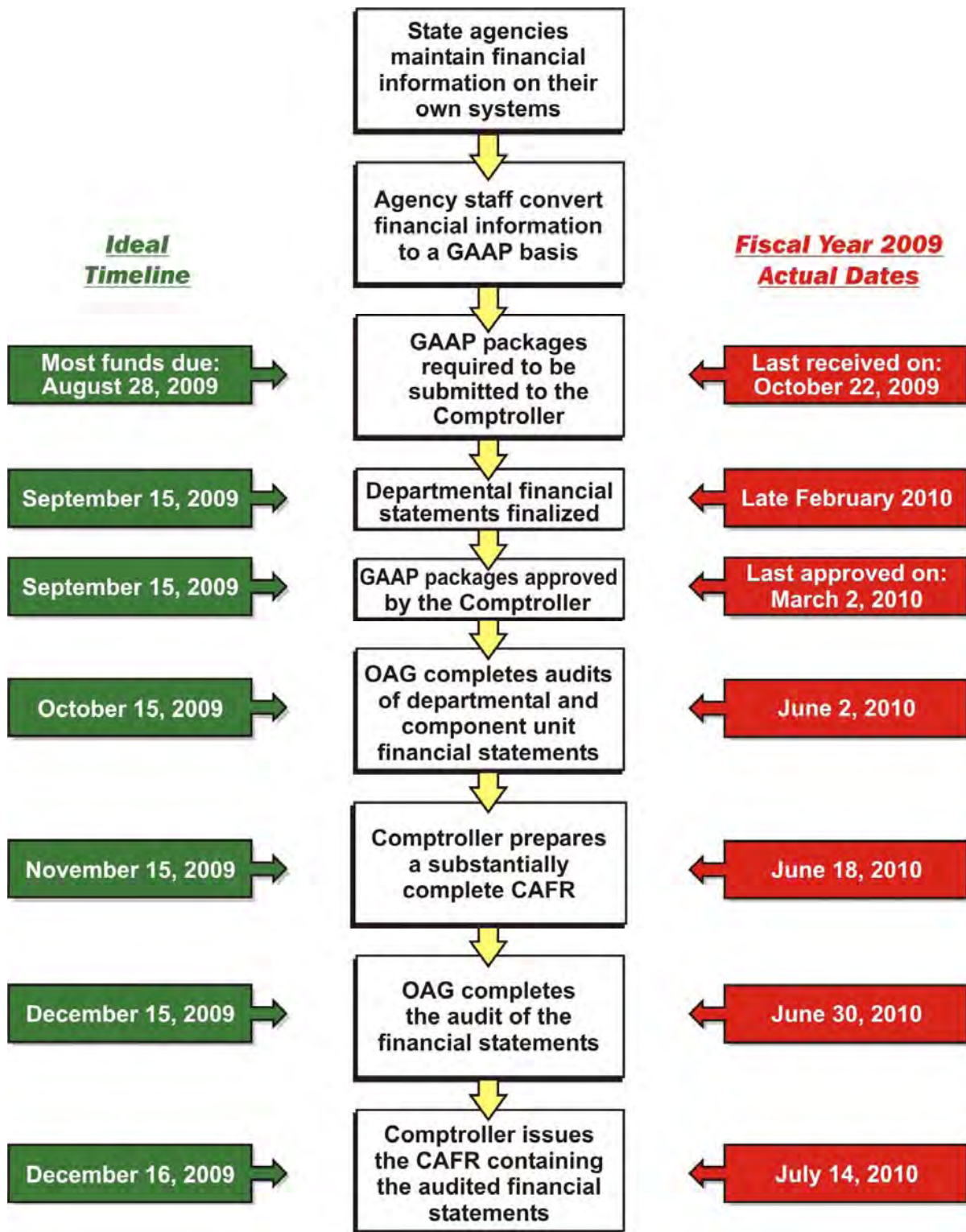
To additionally complicate matters, agencies must submit a GAAP package for each fund in which they have activity. The Comptroller accumulates this data for the CAFR and the statewide Schedule of Expenditures of Federal Awards (SEFA). While the Comptroller's Office collects the information and completes the CAFR, it does not have authority over these agencies. Most of the agencies that file GAAP packages are under the authority of the Governor's Office.

Once agencies submit their GAAP packages, the Comptroller's Office reviews and approves the GAAP packages. In addition, departmental financial statements are prepared by certain agencies and submitted to the Comptroller.

The Office of the Auditor General (OAG) also plays a substantial role in the process. The OAG audits the financial statements for several State agencies. Once the CAFR is completed, the OAG is responsible for auditing the State of Illinois' basic financial statements and issuing opinions on those financial statements. In recent years, the Comptroller's Office has elected to wait to finalize the CAFR until the OAG has completed all significant financial audits and proposed all significant audit adjustments. Depending on the accuracy of the financial information and other problems that may be encountered, the completion of financial audits at some State agencies could be delayed. A significant problem at one agency could hold up the Comptroller's completion of the CAFR and the related audit of the State of Illinois' financial statements.

The OAG has previously reported that the financial reporting process is overly dependent on the post audit program being a part of the internal control for financial reporting even though the OAG has repeatedly informed State agency officials that the post audit function is not and should not be an internal control mechanism for any operational activity related to financial reporting.

Exhibit 1-2  
**SIMPLIFIED LOOK AT ILLINOIS’ FINANCIAL REPORTING PROCESS**



Source: OAG analysis of State’s financial reporting process.



## HISTORY OF FINANCIAL REPORTING IN ILLINOIS

In the 1970’s, the Comptroller’s Uniform Statewide Accounting System (CUSAS) was developed. CUSAS was intended to serve as the central system for collecting and reporting statewide financial information. However, the system had little in the way of financial management and reporting capabilities. Many State agencies devised their own internal accounting systems. In 1982, the first CAFR was issued which covered fiscal year 1981. In 1985, our Office released a special inquiry report which stated that the varying accounting systems resulted in an inability to compile reliable statewide fiscal information in a timely manner and also resulted in duplication of effort. The report recommended that a new and improved central accounting system be implemented.

<b>Problems with CUSAS</b> (as noted in Auditor General’s 1985 report)
<ul style="list-style-type: none"> <li>• Inability to compile reliable statewide fiscal information in a timely and efficient manner.</li> <li>• Duplication of effort in data processing.</li> <li>• Lack of data comparability and reconciliation.</li> </ul>

The Statewide Accounting Management System (SAMS) was implemented on July 1, 1997, and is used by the Office of the Comptroller for processing the State’s accounting transactions, including the generation and distribution of commercial warrant disbursements, and maintaining appropriate records of all Treasury held fund transactions. Despite the implementation of SAMS more than 13 years ago, many of the same problems noted in our 1985 report continue to exist today.

### Past Audit Findings

Although deficiencies relative to the CAFR and SEFA financial reporting processes have been reported by our Office for a number of years, problems continue with the State’s ability to provide accurate and timely external financial reporting.

The Statewide Single Audit for the year ended June 30, 2009, contained a finding that the State’s current financial reporting process does not allow the State to prepare a complete and accurate CAFR or SEFA in a timely manner. **This finding has been repeated for the last eight years.** The finding goes on to state that problems continue to exist even though auditors have continuously reported numerous findings, commented on the inadequacy of the financial reporting process, and regularly proposed adjustments to the financial statements year after year. The State has not solved these problems or made substantive changes to the system to effectively remediate these financial reporting weaknesses.

In conjunction with the audit of the State’s financial statements, our Office issues a report titled “Report on Internal Control over Financial Reporting and on Compliance and Other Matters.” The report for the year ended June 30, 2009, contained a finding on financial reporting weaknesses. **This finding has also been repeated for the last eight years.** The finding states that Illinois’ decentralized reporting system is not adequate to reduce the likelihood that a material misstatement could occur. The finding also states that those charged with governance in Illinois were not actively involved in the financial reporting process. This Auditor’s report also contained a finding on weaknesses in the statewide financial statement compilation process.

In addition to the findings mentioned above, audits of individual State agencies contained numerous findings related to financial reporting – referred to as Government Auditing Standards (GAS) findings. In fiscal year 2008, there were 63 findings at 20 different agencies. In fiscal year 2007, there were 63 findings at 27 different agencies. Findings included: lack of journal entry review; inadequate controls over the financial statement process; financial statements not timely; and lack of segregation of duties.

Many of the findings involve inaccuracies that impact the financial statements. In fiscal year 2008, 27 of the 63 findings (43 percent) involved inaccuracies. For example:

- The Department of Corrections improperly calculated liabilities which required multiple adjustments to correct the financial statements. Liabilities were originally understated by \$23 million. (Finding 08-3)
- The Department of Employment Security overstated its allowance for uncollectible taxes receivable by \$24.2 million which required the financial statements to be corrected. (Finding 08-1)
- The Department of Revenue’s accounts receivable was adjusted by \$87.6 million due to inaccuracies found in its calculation. (Finding 08-2) The Department also had numerous errors in its GAAP package forms and financial reports. (Finding 08-3)
- The Secretary of State’s financial statements contained reporting errors which required adjustments of \$19.8 million to accounts receivable and \$15.6 million to revenue. (Finding 08-1)

### **Shared Services Study**

In 2006, the Governor’s Office of Management and Budget issued a study on the feasibility of a statewide shared services model. Data for the study was gathered directly from agencies through surveys and interviews including information on technology used to support human resources and fiscal processes. The study found that technologies used to perform human resources and fiscal work varied greatly across agencies. Key conclusions in the study included:

- Paper Based Processes – Many processes were paper based which led to significant duplicative and potentially error-prone activities.
- Disparate Systems – There was significant diversity in the functionality of the information systems used. Most were not integrated which led to significant additional work.
- Inaccessible Data and Reporting – The many non-integrated, stand-alone systems led to pockets of data at every agency, making it difficult to access, understand, and report statewide data on a timely basis.
- Outdated Mainframe Technology – Many of the State’s business applications were built on 20 + year old mainframe technology with limited functionality, data

integration, and reporting capabilities. The study noted that as legacy systems age, the frequency of breakdown is likely to increase while the availability of technical resources who have the necessary knowledge and skills to maintain these systems will continue to decrease. Modifying existing systems to provide leading practice functionality, data integration, and reporting capabilities would be cost prohibitive.

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## OVERVIEW OF FINANCIAL REPORTING PROCESS

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The Comptroller's Office uses several computer systems which, taken together, allow the Comptroller's Office to maintain the official accounting records of the State of Illinois. At the center of these various systems is SAMS, the Statewide Accounting Management System. SAMS records and tracks the receipts, disbursements, account balances and other transaction information for all Treasury-held funds. In addition, SAMS writes all commercial warrants.

At year end, the State prepares GAAP basis financial statements. These are the common set of accounting principles used to compile financial statements and are usually different than what is maintained on most agencies' accounting systems. SAMS does not capture modified accrual or accrual information or other footnote disclosure information required for GAAP basis financial statements. Because of this, agencies submit GAAP reporting packages to provide the Comptroller with the necessary financial data to prepare the CAFR. Generally, GAAP reporting packages are due between August 15 and August 31 except for some complex, federally funded agencies, component units, and pension packages (due September 30).

### Year-end Reporting Process

The year-end GAAP reporting process is a complex process that sees financial data go through multiple systems and multiple transfers. At the Comptroller's Office, the computerized portion of the GAAP compilation process involves the use of three different systems causing the data to undergo several transfers and conversions. In addition to these three systems, the data is converted to Microsoft Excel for CAFR presentation purposes. The process requires Comptroller staff to **manually** review all data to ensure data quality and integrity. The process is shown in Exhibit 1-3 and is described below.

The year-end reporting process begins at the Comptroller's Office. Before agencies can begin to submit their information, the Comptroller must complete certain procedures to generate prior year data and the current reporting year's data. Comptroller staff extracts data from SAMS and loads into the WEDGE (Web-based Electronic Data Gathering Environment) system. Comptroller staff then examines the data to ensure its accuracy and completeness. Once the data has been reviewed and approved, the WEDGE system is enabled.

The WEDGE system is used by State agencies to enter information and submit GAAP packages. GAAP packages must be completed for **each fund** in which an agency has activity. In fiscal year 2009, a total of 912 GAAP packages were submitted from 93 agencies. This includes component units but does not include agencies where the GAAP packages are completed by the Comptroller. The Department of Revenue had the most with 74 GAAP packages submitted.



The GAAP package for an individual fund consists of multiple forms depending on the fund type and the activity involved. Most forms can be completed and submitted electronically but some, however, must be completed **manually**. Once the agency completes the GAAP package it is submitted to the Comptroller. Comptroller staff reviews the information to ensure that it is acceptable and that supporting forms are properly completed. When data accuracy problems are detected or questions arise, agencies are notified to correct their data and/or provide information addressing the Comptroller's questions.

To prepare the governmental fund financial statements, Comptroller staff extracts data from the WEDGE system to the 400 System which is a Microsoft Access database. Some information must still be **manually** entered. The 400 System converts the information to Microsoft Excel spreadsheets for CAFR presentation purposes. These spreadsheets must also be **manually** edited.

### **Process at the Agency Level**

The above section mentions the role that agencies play in the process but does not describe how complicated and complex this process is for the agencies. To illustrate, we will use the Department of Human Services (DHS) as an example. As DHS noted in its GAAP reporting narrative, the day-to-day accounting records throughout the State of Illinois are generally maintained on the budgetary or cash basis of accounting. GAAP reporting requires each State agency to make appropriate adjustments to these budgetary basis accounts on a fund-by-fund basis to reflect a modified accrual or GAAP basis financial statement presentation using the Comptroller's WEDGE system.

DHS adjustments are based upon analysis of financial and related information concerning receivables, inventories, prepaid expenses, fixed assets, short-term payables and long-term obligations at the end of the fiscal year. It also involves reviewing data from various sources to provide details for footnotes concerning compensated absences, contingencies, lease and purchase commitments, retirement benefits, changes in property, plant, equipment, and long-term obligations and any other required reporting disclosures.

Agencies are required to submit an annual GAAP reporting package for each fund, or portion thereof the agency administers, to the Comptroller's Office for review. DHS estimated that it would submit 58 GAAP packages for fiscal year 2010.

The Comptroller's Office has developed the GAAP reporting forms that make up the GAAP packages. These are referred to as SCO forms. For example, SCO-549 is a summary of liabilities. For DHS, **each** of the 58 packages could include up to 16 different SCO forms for that individual package. **This is a very labor intensive process.**

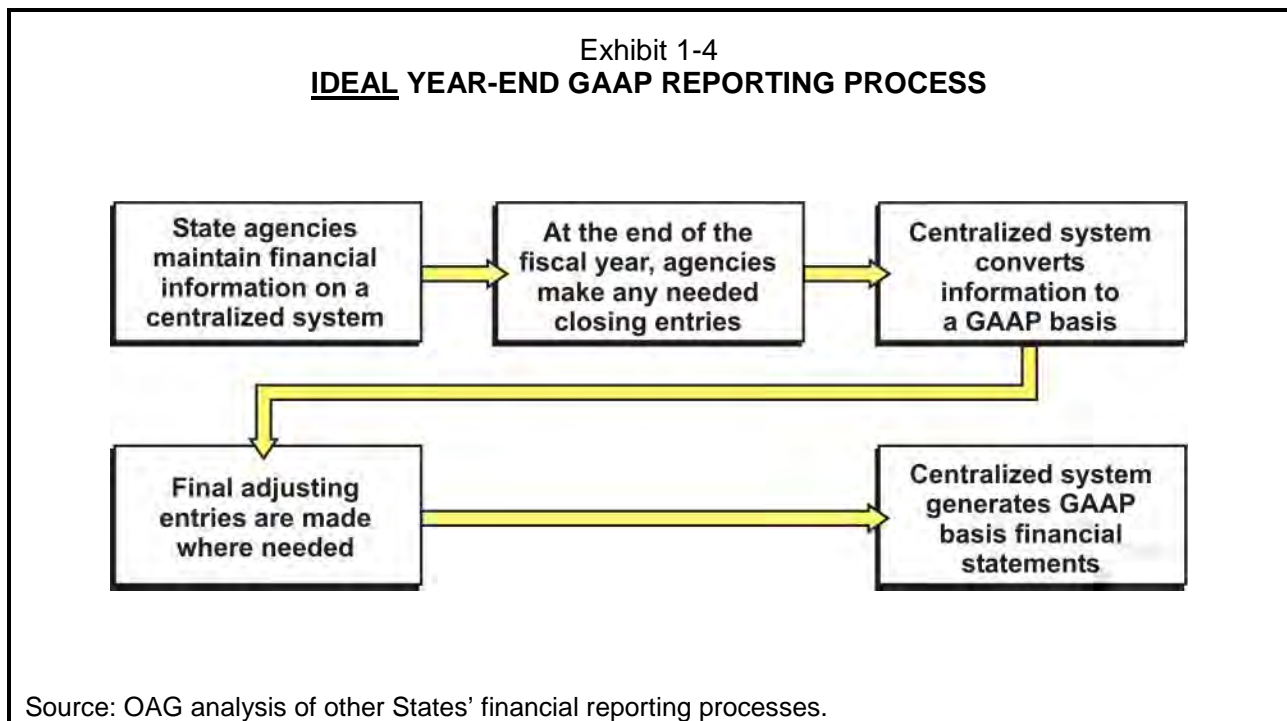
The complicated forms and breakdown in internal controls at the individual agencies lead to errors and misstatements which lead to delays. In fiscal year 2009, there were 864 different audit adjustments to correct errors made by the agencies. The majority, 58 percent, were made after December 31 with the last adjustment being made on May 3, 2010. Adjustments are generally made for significant matters only. The Comptroller's Office did not prepare the full CAFR until all audit adjustments were completed and "comfort letters" received.

Examples of misstatement or problems with GAAP packages from our financial audits and compliance examinations include:

- State Board of Education – Errors on SCO-563 included significant beginning and ending balance misstatements to one fund. These misstatements required the State Board to reduce receivables by \$7.4 million and deferred revenue by \$6.8 million. (Finding 09-1)
- Department of Human Services – The Department’s capital asset GAAP package forms contained several accounts that are not supported by the Department’s capital asset accounting records. (Finding 09-4)
- Department of Corrections – The Department did not accurately record all capital asset information in its financial records. As a result, the Department presented inaccurate information on the Capital Asset Summary (SCO-538) and in its financial statements for fiscal year 2008. (Finding 08-6)

### Ideal Financial Reporting Process

An ideal financial reporting process would help minimize complicated data conversions and manual calculations. The key component of an ideal process is a centralized GAAP compliant financial reporting system. A centralized system used by all agencies would eliminate most manual processes and most GAAP packages. Financial data would routinely be converted from a cash basis to a GAAP basis. Contrasted to the complicated current system shown in Exhibit 1-3, Exhibit 1-4 shows what an ideal system could look like.



A centralized GAAP compliant financial reporting system would also positively affect cooperation issues. The Office of the Comptroller would be able to more easily obtain information from agencies. The Comptroller’s Office staff stated that they “...to some degree, would have the ability to better analyze the financial activities of State agencies from a financial reporting perspective if the State had a centralized automated financial reporting system.” A centralized GAAP compliant financial reporting system would also likely have a dramatic affect on audits conducted by our office. A system that generated more timely and accurate information would enable auditors to obtain requested information quicker and would allow audits to be completed in a more timely fashion. More timely financial information also leads to more effective oversight of agencies, revenues, and expenditures.

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## **AUDIT SCOPE AND METHODOLOGY**

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We conducted this performance audit in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit objectives for this audit were those as delineated in Senate Resolution Number 609 (see Appendix A), which directed the Auditor General to conduct a management audit of the State’s financial reporting system. The audit objectives are listed in the Introduction section of Chapter One. Fieldwork for this audit was conducted from August 2010 to October 2010.

In conducting the audit, we reviewed applicable State statutes and rules. We reviewed compliance with those laws and rules to the extent necessary to meet the audit’s objectives. Any instances of non-compliance we identified are noted in this report. We also reviewed management controls and assessed risk related to the audit’s objectives. A risk assessment was conducted to identify areas that needed closer examination. Any significant weaknesses in those controls are included in this report.

We surveyed 90 State agencies of primary government to gather information on the financial reporting systems used by those agencies. Most agencies were cooperative and provided the requested information. However, two of the agencies surveyed, the Department of Military Affairs and the Supreme Court, did not provide responses.

When referring to the agencies surveyed in the report, results will be based on 84 responses. As noted above, two agencies did not respond. One agency, the Office of the Lt. Governor, did not have a budget for fiscal year 2010. Separate surveys were sent to the President and the minority leader of the Senate but they elected to respond in a single survey. In addition, three of the retirement systems were combined into one response.

We also surveyed all 50 states and the District of Columbia to gather information on the financial reporting system in those states. We received responses from 34 of the 51 surveyed. We interviewed officials from the federal government to assess the impact of late financial

reporting. We also interviewed bond officials with the State and a bond official with one of the bond rating agencies.

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## **REPORT ORGANIZATION**

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The remainder of this report is organized into the following chapters:

- Chapter Two – Financial Reporting Systems at State Agencies
- Chapter Three – Financial Reporting in Other States
- Chapter Four – Implementation Issues
- Chapter Five – Other Issues



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## Chapter Two

# FINANCIAL REPORTING SYSTEMS AT STATE AGENCIES

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## CHAPTER CONCLUSIONS

Senate Resolution Number 609 asked us to analyze the State's current financial reporting procedures, practices, and system. To accomplish this, we surveyed all agencies of the primary government. We received responses from 88 of the 90 agencies surveyed.

**The survey results show that Illinois has a highly fragmented and decentralized financial reporting system. Agencies reported using 263 different financial reporting systems.** The total number of systems is **higher** since two agencies did not respond to the survey, and there were seven other systems that we identified at four agencies that are not included in the total.

**The total estimated cost of maintaining the systems in fiscal year 2010 was not determinable.** Agencies provided cost estimates totaling **\$24 million** which covered only 56 percent of the systems. There were also instances where agencies provided cost information for one cost component but either didn't know or could not calculate other cost components which further understates the total cost of maintaining the systems.

**The vast majority of the systems used for financial reporting are not compliant with Generally Accepted Accounting Principles (GAAP).** Agencies responded that only 16 percent of the systems were GAAP compliant. This percentage is likely even lower. GAAP reporting provides a more complete picture of an entity's true financial position by capturing expenses that the government owes but has not yet paid, as well as revenue which it is owed but has not yet received. Illinois does not complete its annual GAAP-compliant financial report until almost **a year after the end of the fiscal year**. In contrast, many businesses prepare quarterly reports, as well as annual reports that are issued within two or three months of the end of the fiscal year. A statewide system that maintains information on a GAAP basis or routinely converts information to a GAAP basis would drastically reduce the amount of time spent by agencies during the year-end GAAP conversion process.

**Half of the financial reporting systems in use at State agencies are more than 10 years old.** Many of these are archaic systems that were first installed more than 20 years ago. As the systems age, updating and maintaining the systems becomes an issue. Also, the ability to interface with other systems becomes more difficult. This limits flexibility and adds cost due to duplication of work.

**Fifty-three percent of the financial reporting systems are not interrelated which consequently requires manual intervention to convert data from one system so it can be used in another.** When data is converted or manually reentered, it adds time to the process and increases the likelihood of errors. This duplicate work also adds substantial costs in operating the systems. **The total estimated annual cost resulting from duplicated data entry was not**

**determinable. For 17 percent of the systems, agencies estimated the annual cost resulting from duplicated data entry was \$11.3 million.** Agencies did not include a response for 24 percent of the systems. Also, agencies noted that three percent of the systems had duplication of effort but did not provide enough information to calculate the cost.

The estimated cost for agency fiscal staff to complete the year-end GAAP conversion process was not determinable. Based on the responses received, the cost was at least \$3.7 million. Two of the larger agencies, Transportation and Human Services, did not provide a cost estimate. In addition, 23 agencies contract with consultants to provide assistance with financial reporting or in preparing GAAP packages. In fiscal year 2010, this amount totaled \$991,000. Approximately one of every three agencies felt that **lack of staff** and **lack of trained staff** impacted their ability to complete year-end reporting in a timely and accurate manner. Approximately one of every three agencies also felt that the State’s personnel system impeded the agency’s ability to hire qualified staff. We recommended that the Governor’s Office work with agency fiscal staff to ensure that agencies have the staff needed in the area of financial reporting and to work with Central Management Services to make any needed adjustments to the current personnel system so that agencies can obtain qualified staff. Sufficient staff which are qualified and adequately trained in financial reporting are critical for any reporting system to be successful.

The State of Illinois' current financial reporting process does not allow the State to prepare a complete and accurate Comprehensive Annual Financial Report (CAFR) or the Schedule of Expenditures of Federal Awards (SEFA) in a timely manner. Failure to submit GAAP packages in a timely fashion along with failing to submit GAAP packages accurately have been major reasons for the delays in completing the CAFR. Eighteen percent of agencies responded that the systems used do not allow the agency to complete GAAP packages in a timely fashion. This 18 percent included four of the largest seven agencies based on fiscal year 2010 appropriated expenditures and cumulatively accounted for 28 percent of the State’s total fiscal year 2010 appropriated expenditures.

### **Comprehensive Annual Financial Report (CAFR)**

In the last three years, Illinois’ CAFR was not completed until approximately one year after the end of the fiscal year. The delays in releasing the CAFR are significant for a number of different reasons:

- **State Financial Management/Oversight Adversely Affected.** Legislative and oversight bodies are one of the primary users of financial reports. When financial reports are not available, legislative and oversight officials are forced to use outdated information or unaudited numbers.
- **Negative Factor Affecting Bond Ratings.** The audited financial statements contained in the CAFR are one of the primary documents used by the bond rating agencies when assessing the State’s financial condition. The bond rating agencies view negatively the late release of the audited financial statements. Illinois’ untimely financial reports have been highlighted as negative factors in two recent reports issued by Moody’s.

- **Noncompliance with Governmental Accounting Standards Board (GASB) Concepts Statement No. 1 Objectives of Financial Reporting.** Regarding timeliness, it states “If financial reports are to be useful, they must be issued soon enough after the reported events to affect decisions...the passage of time usually diminishes the usefulness that the information otherwise would have had.” The untimely release of the State’s CAFR is not in compliance with the most basic of financial reporting objectives.

### **Statewide Single Audit**

Since 2000, Illinois has not completed the Statewide Single Audit within the required nine month deadline and has shown no improvement towards meeting the deadline. The delay in completing and submitting the Statewide Single Audit is significant for a number of different reasons:

- **Noncompliance with Federal Single Audit Time Requirements.** The federal government requires most entities that receive federal awards to have an audit conducted which must be submitted within nine months after the end of the fiscal year. The federal government has also considered shortening the timeframe for submitting the single audit from nine months to six months.
- **Negative Impact on Federal Funding.** Each year, the State of Illinois depends heavily on funding received from the federal government. In fiscal year 2009, Illinois expended \$23.7 billion in federal awards. Officials from the federal Department of Health and Human Services (HHS), which is the federal oversight agency for Illinois, noted that, although it was unlikely that a State would lose its federal funding, untimely financial reporting could have an effect on the amount of discretionary funding received. In May 2010, the Illinois Student Assistance Commission received a letter from the U.S. Department of Education regarding the single audit. The letter stated that if the audit was not submitted within 15 days, it would be classified as missing. The letter further stated that the Secretary of Education may “...suspend the payment of account maintenance fees, default fees, and claims to an entity that does not submit its audit within the required time period.”
- **Hampers Oversight and Adds to the Cost of Administering the Programs.** One result of late reporting is increased scrutiny from the federal government. Increased scrutiny has several effects including making it more costly for the State to administer the program.

We recommended that the Governor’s Office and the Office of the Comptroller develop and implement a plan to correct the problems with the current financial reporting process and begin overhauling the State’s financial reporting system.

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## **CURRENT FINANCIAL REPORTING SYSTEM**

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Senate Resolution Number 609 asked us to analyze the State’s current financial reporting procedures, practices, and system. To accomplish this, we surveyed all agencies of primary government. We received responses from 88 of the 90 agencies surveyed.

Exhibit  
**LIST OF UNIQUE**

<p><b>Common Systems:</b>  <b>1. Accounting Information System</b>  <b>2. Central Inventory System</b>  <b>3. Central Payroll System</b>  <b>4. Central Time and Attendance System</b>  <b>Aging:</b>                  None other than the common systems  <b>Agriculture:</b>                  5. ACCPAC                  6. ADAPTA                  7. Budget Administration System                  8. Departmental Receiving System                  9. Egg Inspection Receipts                  10. Fair Management System                  11. Feed/Fertilizer System                  12. Laboratory Info. Management System                  13. Seed Permit System  <b>Attorney General:</b>                  14. Accounts Receivable Database                  15. FileMaker                  16. Microsoft Excel  <b>Auditor General:</b>                  17. Accounts Receivable                  18. Inventory                  19. Timekeeping  <b>Board of Higher Education:</b>                  20. Microsoft Excel  <b>Capital Development Board:</b>                  21. AS400  <b>Central Management Services:</b>                  None other than the common systems  <b>Children and Family Services:</b>                  22. MARS – AA (Appropriation Accounting)                  23. MARS – BP (Board Payment)                  24. MARS – CN (Contracts, Grants, Obligations)                  25. MARS – DC (Day Care Payments)                  26. MARS – MG (Memo Grant)                  27. MARS – OFM Financial Data Mart                  28. MARS – RC (Accounts Receivable)                  29. MARS – Tfeds                  30. MARS – TR (Ward Trust Accounts)                  31. MARS – VP (voucher payment)  <b>Civil Service Commission:</b>                  32. Microsoft Excel  <b>Commerce and Economic Opportunity:</b>                  33. DCEO Financial Management System                  34. DCEO Property Control System                  35. Loan Base  <b>Commission on Human Rights:</b>                  None other than the common systems  <b>Community College Board:</b>                  None other than the common systems  <b>Comptroller:</b>                  36. Bond System                  37. Payroll                  38. SAMS                  39. State Tax, Public Aid                  40. Comptroller’s WEDGE System  <b>Corrections:</b>                  41. Automated Property Control System                  42. DHS Payroll                  43. Excel Software                  44. FACTS                  45. MACOLA                  46. The Inventory Management System                  Also uses 38</p>	<p><b>Council on Developmental Disabilities:</b>                  47. Access inventory database                  48. Access voucher database                  49. Ledgers  <b>Court of Claims:</b>                  50. Microsoft Excel  <b>Criminal Justice Information Authority:</b>                  51. GOMB Budget Software                  52. Microsoft Software Suite                  Also uses 40  <b>Deaf and Hard of Hearing Commission:</b>                  None other than the common systems  <b>Drycleaner Environmental Response Fund:</b>                  53. Financial Reporting                  54. Illinois Drycleaner Database  <b>Educational Labor Relations Board:</b>                  None other than the common systems  <b>Emergency Management Agency:</b>                  55. Financial Management System (FMS)  <b>Employment Security:</b>                  56. Administrative Accounting System (AAS)                  57. Benefit Funding System (BFS)                  58. Illinois Benefit Information System                  59. Fund Ware                  60. Payroll                  61. Supplies Inventory Control Systems  <b>Environmental Protection Agency:</b>                  62. Cash Management System                  63. Cost Recovery System                  64. ETimecard System                  65. Financial Assistance System (FAS)                  66. ICEMAN                  67. Program Reporting System                  Also uses 7  <b>Executive Ethics Commission:</b>                  68. Microsoft Excel  <b>Financial and Professional Regulation:</b>                  69. CLEAR                  70. DFI Accounting System                  71. Excel and Access                  72. ILES                  Also uses 7 and 38  <b>Gaming Board:</b>                  73. Electronic Wagering &amp; Admissions Reporting                  74. Excel Spreadsheets                  75. Occupational Licensing System  <b>General Assembly Minority Leader House:</b>                  76. GA Accounting System                  77. GA Property Control System  <b>General Assembly Speaker of the House:</b>                  78. Microsoft Excel                  Also uses 76  <b>General Assembly Senate:</b>                  79. Time Entry System (TES)                  Also uses 76 and 77  <b>General Assembly Retirement System:</b>                  See State Employees Retirement System  <b>Government Forecasting &amp; Accountability:</b>                  Uses 76 and 79  <b>Governor:</b>                  None other than the common systems  <b>Governor’s Office of Management &amp; Budget:</b>                  80. Excel                  81. Kronos – Workforce Timekeeping  <b>Guardianship &amp; Advocacy Commission:</b>                  None other than the common systems</p>	<p><b>Healthcare and Family Services:</b>                  82. Key Information Distributions System                  83. MMIS                  84. Payroll System                  85. PAAS                  86. Warehouse &amp; Asset Management System  <b>Historic Preservation Agency:</b>                  87. MERMAID (Grant Tracking)                  88. Microsoft Excel  <b>Human Rights:</b>                  None other than the common systems  <b>Human Services:</b>                  89. Accounts Receivable System (ARS)                  90. Child Care Tracking System (CCTS)                  91. Client Payment System (CPS)                  92. Commodity Control System                  93. Community Reimbursement System                  94. Consolidated Accounting Reporting System                  95. DARTS                  96. DDDPF                  97. Equipment Inventory System (EIS)                  98. Fixed Assets Reporting System                  99. Illinois Government Purchasing System                  100. Recipient Reimbursements System (RE2)                  101. PSMS                  102. Reporting of Community Services                  103. SNAP Reconciliation Reporting                  104. Timekeeping                  105. Treasury Services                  106. Trust Fund System                  107. Warehouse Control System (WCS)                  Also uses 42  <b>Illinois Arts Council:</b>                  108. Excel                  109. Pearl Grants Management System                  Also uses 40  <b>Illinois Commerce Commission:</b>                  110. AIMS                  111. APMS                  112. BEARS                  113. CARMA                  114. HRIS                  115. HRTS                  116. ISL                  117. MCIS                  118. PAVLog                  119. PUTT (FIS release I)                  120. SB 700                  121. WETSA  <b>Illinois Power Agency:</b>                  122. IPA General Ledger  <b>Insurance:</b>                  123. Excel and Access                  Also uses 38  <b>Joint Committee on Administrative Rules:</b>                  124. Accounts Receivable                  125. Microsoft Office Excel 2003                  Also uses 76 and 77  <b>Judges Retirement System:</b>                  See State Employees Retirement System  <b>Judicial Inquiry Board:</b>                  None other than the common systems  <b>Juvenile Justice:</b>                  Uses 38, 41, 42, 43, 44, and 46</p>
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Source: OAG analysis of agency survey responses.

2-1  
SYSTEMS USED

<p><b>Labor:</b> 126. Internally developed system in FoxPro 127. Microsoft Excel <b>Labor Relations Board:</b> 128. Inventory 129. Mine <b>Law Enforcement Training &amp; Standards Board:</b> None other than the common systems <b>Legislative Audit Commission:</b> Uses 76, 77, and 79 <b>Legislative Ethics Commission:</b> Uses 76, 77, and 79 <b>Legislative Information System:</b> Uses 76, 77, and 79 <b>Legislative Printing Unit:</b> Uses 76, 77, and 79 <b>Legislative Reference Bureau:</b> Uses 76, 77, and 79 <b>Legislative Research Unit:</b> Uses 76, 77, and 79 <b>Lieutenant Governor:</b> No budget until new Lt. Governor takes over <b>Math and Science Academy:</b> 130. IMSA Financial System 131. IMSA Online Timesheet 132. Sage Abra HRMS Attendance 133. VFACS by Industrial Appraisal <b>Natural Resources:</b> 134. Active Outdoors 135. BCCS Voucher Query 136. Budget Expenditure Tracking System 137. Cash Flows 138. CATS- Capital Asset Tracking System 139. Federal Doc Ledgers 140. Fifth Third Bank 141. Inventory 142. Inventory - Fisheries 143. Inventory - Law 144. ORM's- Reserve America 145. Programmatic Accounting System 146. Payments Gateway/ACH Direct 147. Revenue Account Tracking System 148. Timekeeping Also uses 42 <b>Office of the Architect of the Capitol:</b> Uses 76, 77, and 79 <b>Office of the Inspector General:</b> 149. Fixed Assets 150. P.O. Tracking <b>Office of the State Appellate Defender:</b> 151. Aestiva Purchase Order &amp; Asset System 152. Budgeting 153. Kronos Timekeeping 154. Quicken <b>Office of the State Fire Marshal:</b> 155. Excel and Access software Also uses 38 <b>Office State's Attorneys Appellate Prosecutor:</b> 156. Access 157. QuattroPro/Excel 158. Quickbooks 159. TimeKron <b>Pollution Control Board:</b> 160. Microsoft Access/Receipts Database 161. Microsoft Excel/Fixed Assets – Inventory</p>	<p><b>Prisoner Review Board:</b> Uses 38, 41, and 155 <b>Procurement Policy Board:</b> 162. Access <b>Property Tax Appeal Board:</b> None other than the common systems <b>Public Health:</b> 163. Cash Book <b>Racing Board:</b> 164. Excel and Access Also uses 38 <b>Revenue:</b> 165. Consolidated Accounting System 166. Excel and Access 167. GenTax 168. PC 2 169. RCA - Remittance Clearing Account Also uses 38 <b>Secretary of State:</b> 170. Accounting &amp; Budget (AB) System 171. Property Control 172. Time and Attendance System 173. RUSAS <b>Sex Offender Management Board:</b> 174. FileMaker 175. Microsoft Excel <b>State Board of Education:</b> 176. Attendance System 177. Cost Allocation Tracking System 178. CRS - Cash Receipts System 179. FRIS 180. Human Resources Management System 181. MIDAS 182. Property Control System <b>State Board of Elections:</b> 183. Excel spreadsheets 184. SBE Property Control System <b>State Board of Investment:</b> 185. Sage MAS 90 General Ledger <b>State Employees' Retirement System:</b> 186. Accounts Receivable 187. Benefit Payments (Vouchering) 188. Budget Tracking 189. Cash Receipts 190. Equipment Inventory 191. General Ledger 192. Payroll Edit &amp; Posting 193. Refund payments (Vouchering) 194. Service Purchase <b>State Police:</b> 195. AR - Accounts Receivable 196. COD - Contract Obligation Document 197. FISCAL 198. GLIS - General Ledger Inquiry System 199. MCM Property Control 200. RECEIPTS 201. Timekeeping 202. Uniform Inventory System (UIS) 203. WAGE <b>State Police Merit Board:</b> 204. Microsoft Excel 205. PANARAMA <b>State Universities Civil Service System:</b> 206. Inventory Data Base 207. Timekeeping</p>	<p><b>State Universities Retirement System:</b> 208. SURS custom designed IS 209. Timberline Financial System <b>Student Assistance Commission:</b> 210. Fundware <b>Teachers' Retirement System:</b> 211. Excel 212. Microsoft Dynamics 213. STAR 214. TRS Systems <b>Transportation:</b> 215. Accounting and Management System 216. Accounts Receivable (ARS) 217. Budget Development and Analysis 218. Fiscal Operations and Administration 219. Integrated Payroll Management (IPM) 220. Misc. Collections Receivable System 221. Time Keeping Reporting 222. Time Keeping System <b>Treasurer:</b> 223. Access 224. Acct. - Excel 225. Asset Win - Crystal Reports 226. Banking - Excel Spreadsheets 227. Banking Access Databases 228. Bloomberg Banking 229. College Savings Excel 230. Estate Tax 231. FileMaker Pro 232. FileMaker Pro - Procurement 233. FileMaker Pro - Vouchering 234. HR Access Database 235. HR Excel Database 236. Illinois Funds Access 237. Illinois Funds Excel 238. Interest Allocation 239. Investment System 240. Mainframe - Attendance 241. Mainframe - Time Deposit 242. Mainframe Investments 243. Portfolio Boomerang 244. Portfolio Excel 245. Portfolio QED 246. Portfolio Tradeweb 247. Receipt Tracking System (RTS) 248. TIS - Circuit Clerk 249. TIS - General Ledger/Accounting 250. TIS - Protest 251. TIS / Warrant 252. TIS Banking 253. TIS Clearing 254. TIS Investments 255. TradeWeb 256. UP Excel 257. UPS2000 (Wagers) - Accounting 258. Wagers Unclaimed Property System 2000 259. Warrant Processing System (WPS) 260. Workbench <b>Veterans' Affairs:</b> None other than the common systems <b>Violence Prevention Authority:</b> None other than the common systems <b>Workers' Compensation Commission:</b> 261. Access databases 262. Spreadsheets 263. Ledgers</p>
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## Highly Fragmented and Decentralized System

The survey results show that Illinois has a highly fragmented and decentralized financial reporting system. **Agencies reported using 263 different financial reporting systems.** Our survey defined a financial reporting system as those computerized and manual systems used to report the financial transactions of an agency which could include the following areas: general accounting, accounts receivable, budgeting, cash receipts, financial statements, fixed assets, grant accounting, inventory, payroll, procurement, and timekeeping.

Exhibit 2-1 lists the 263 different financial reporting systems as provided by the agencies in the agency survey. The list begins with the four common systems. The common systems are applications developed by Central Management Services (CMS) for use by multiple State agencies. The remainder of the list is organized by agency and lists the system as provided by the agency.

Some of the systems listed are primarily used for financial reporting purposes. However, it is important to note that many systems are used primarily for other purposes but produce information that is used for financial reporting. For example, one system included at the Department of Revenue is GenTax, the main purpose of which is tax processing. Revenue stated in its survey that the only financial reporting piece in GenTax is the accounts receivable and credit carry forwards. For more information on each system, such as the functions performed by that system, see Appendix C.

While survey results showed there are 263 different financial reporting systems, **the actual number is even higher.** Two agencies (Military Affairs and the Supreme Court) did not respond to the survey. In addition, there were seven other systems that we identified at four agencies that are not included in Exhibit 2-1. We reviewed each survey to determine if any systems were missing. If any missing systems were identified, we followed up with the agency to see if it should be included. Most agencies were responsive to these requests. However, other agencies did not respond to our follow up requests regarding specific systems so those systems were not included. One agency responded but refused to provide additional information on four systems that we identified:

- Central Management Services – CMS’ response indicated that it only uses the four common systems for financial reporting. After reviewing the response with Financial/Compliance and Information System auditors in our Office, we identified four additional systems. Despite presenting CMS with support on why these systems should be included, a CMS official refused and stated *“If you are including anything that touches any system that is used for GAAP, then your survey needs to say so. I think in that instance you would be covering way more systems than you intend.”* Our survey did indeed define a financial reporting system and was intended to include systems used to report the financial transactions of an agency even if the systems were not primarily used for that purpose.

Some of the 263 different financial reporting systems include systems that are used by more than one agency. For example, the common systems are used by multiple agencies. Exhibit 2-2 shows the four common systems and how many agencies reported using the common systems in our survey. Another example of a system used by more than one agency is the General Assembly Accounting Systems which was reported by 12 different agencies. The General Assembly Accounting System is listed in Exhibit 2-1 as system number 76. For other agencies that use this system, for example the Legislative Research Unit, the exhibit does not list the system again but notes under that agency that it also uses that system.

Exhibit 2-2 <b>USE OF THE FOUR COMMON SYSTEMS MAINTAINED BY CMS</b>	
<b>Common System</b>	<b># of Agencies</b>
Accounting Information System (AIS)	52
Central Inventory System (CIS)	21
Central Payroll System (CPS)	70
Central Time and Attendance System (CTAS)	33
Source: OAG analysis of agency survey responses.	

Exhibit 2-1 lists the number of unique systems. The total number of systems reported by agencies in our survey without removing duplicates was 484. Exhibit 2-3 shows the number of systems used by each agency including duplicates. This exhibit shows how many of the four common systems that each agency used as well as the number of other systems used. The number of other systems used, including duplicates, totaled 308.

Exhibit 2-3

**FINANCIAL REPORTING SYSTEMS AT STATE AGENCIES**

Agency	Common Systems	Other Systems	Agency	Common Systems	Other Systems	Agency	Common Systems	Other Systems
Aging	4	0	Govt. Forecasting & Accountability	1	2	Office Inspector General	3	2
Agriculture	4	9	Governor	4	0	Office State Appellate Defender	2	4
Attorney General	4	3	Gov. Office of Mgmt. & Budget	3	2	Office State Fire Marshal	3	2
Auditor General	2	3	Guardianship & Advocacy Comm.	3	0	Office State's Atty. Appellate Pros.	3	4
Board of Higher Education	2	1	Healthcare & Family Services	0	5	Pollution Control Board	3	2
Capital Development Board	4	1	Historic Preservation Agency	3	2	Prisoner Review Board	2	3
Central Management Services	4	0	Human Rights	4	0	Procurement Policy Board	3	1
Children & Family Services	2	10	Human Services	0	20	Property Tax Appeal Board	3	0
Civil Service Commission	3	1	Illinois Arts Council	2	3	Public Health	4	1
Commerce & Econ. Opportunity	2	3	Illinois Commerce Commission	2	12	Racing Board	3	2
Commission on Human Rights	3	0	Illinois Power Agency	0	1	Revenue	3	6
Community College Board	1	0	Insurance	3	2	Secretary of State	1	4
Comptroller	0	5	Joint Committee on Admin. Rules	1	4	Sex Offender Management Board	2	2
Corrections	2	7	Judges Retirement System	See note 2		State Board of Education	1	7
Council on Develop. Disabilities	3	3	Judicial Inquiry Board	2	0	State Board of Elections	3	2
Court of Claims	1	1	Juvenile Justice	2	6	State Board of Investment	0	1
Criminal Justice Info. Authority	3	3	Labor	3	2	State Emp. Retirement System	2	9
Deaf & Hard of Hearing Comm.	4	0	Labor Relations Board	2	2	State Police	1	9
Drycleaner Environ. Response	0	2	Law Enforc. Training Stnd. Board	4	0	State Police Merit Board	1	2
Educational Labor Relations Board	3	0	Legislative Audit Commission	1	3	State Univ. Civil Service System	2	2
Emergency Management Agency	0	1	Legislative Ethics Commission	1	3	State Univ. Retirement System	0	2
Employment Security	1	6	Legislative Information System	1	3	Student Assistance Commission	2	1
Environmental Protection Agency	4	7	Legislative Printing Unit	1	3	Supreme Court	<b>Did not Respond</b>	
Executive Ethics Commission	1	1	Legislative Reference Bureau	1	3	Teachers' Retirement System	1	4
Financial & Prof. Regulation	4	6	Legislative Research Unit	1	3	Transportation	1	8
Gaming Board	3	3	Lieutenant Governor	See note 3		Treasurer	1	38
G.A. House Minority Leader	1	2	Math and Science Academy	1	4	Veterans' Affairs	4	0
G.A. Speaker of the House	1	2	Military Affairs	<b>Did not Respond</b>		Violence Prevention Authority	4	0
G.A. Senate <sup>1</sup>	1	3	Natural Resources	1	16	Workers' Comp. Commission	3	3
G.A. Retirement System	See note 2		Office Architect of the Capitol	1	3	<b>Total other systems:</b>	<b>308</b> <sup>4</sup>	

Notes: <sup>1</sup> A survey was sent to both the President and the minority leader of the Senate. The Senate combined both into one response.

<sup>2</sup> Included in response with State Employees' Retirement System.

<sup>3</sup> Responded that the Lieutenant Governor's Office currently has no budget, no line items and will not until the new Lt. Governor takes office.

<sup>4</sup> The total of 308 systems includes duplicate systems used at more than one agency. The number of unique systems totals 263.

Source: OAG analysis of agency survey responses.



### Example of Using Different Systems to Perform the Same Function

We found that agencies use different systems to perform the same function. For example, as shown in Exhibit 2-2, 70 agencies from our survey reported using CMS' Central Payroll System. In addition, agencies reported using 23 additional systems for payroll. Some agencies reported more than one system was being used for payroll functions. Other agencies did not report any systems associated with payroll.

Agencies noted in their survey responses that using CMS' Central Payroll System offers a low cost alternative compared to developing or purchasing their own systems. The agencies also do not have to deal with maintenance as that is done by CMS. However, the Central Payroll System has a number of disadvantages. First established in 1972, the system is very antiquated. Also, it has a limited ability to produce reports. The reports it does produce are not electronic and often do not provide the information needed. There are no electronic historical records or payroll history. It also requires duplicate information be entered into multiple systems.

Several agencies use a payroll system developed at the Department of Human Services (DHS). The DHS payroll system was implemented in 1978.

For agencies that used other systems besides, or in addition to, the Central Payroll System, agencies were mostly satisfied with these systems. For example, the Department of Transportation uses its own payroll system and is very satisfied noting that it is flexible, responsive, and efficient. However, disadvantages were noted for some of the other systems. Some of the disadvantages noted for these various systems included:

- ***Information must be re-keyed if can't be downloaded.*** (Excel software used for various functions including payroll at the Department of Corrections, the Department of Juvenile Justice, the Office of the State Fire Marshal, and the Prisoner Review Board)
- ***Outdated and difficult to maintain.*** (Warrants Accounting for Governmental Employees (WAGE) system used at the Illinois State Police)
- ***No uniform standards. No security. No audit trail. Too easy to manipulate, allowing for changes that should not be made. Can easily be deleted or removed.*** (Access databases, spreadsheets, and paper ledgers used for various functions including payroll at the Workers' Compensation Commission)

The number of different systems prohibits the most rudimentary types of analysis or summary reports. With the current number of systems, reporting information on a statewide basis requires accumulating information from all of the different systems and then manually compiling the information. A centralized payroll system used by all agencies would enable the production of routine statewide reports such as:

- number of employees by agency or by division within agencies;
- new hires and terminations;
- bi-weekly or monthly overtime reports with year to date results;

- employee salary distribution summaries; and
- salary fringe details.

The State recently contracted with a vendor to secure and implement a statewide integrated time and attendance management system. The system was intended to do a number of different functions including monitoring, tracking, and reporting the daily attendance for employees in at least 45 different State agencies. The project was initiated and expenditures were made on the contract. However, the project was then put on hiatus. The project was in the application development stage, and a total of \$1.6 million had been expended.

### Cost of Maintaining the Systems

**The total estimated cost of maintaining the systems in fiscal year 2010 was not determinable. Based on the responses received, the cost was at least \$24 million.**

In our survey, we asked agencies to estimate the cost of maintaining the various financial reporting systems in fiscal year 2010. Exhibit 2-4 shows the costs, as reported by the agencies, broken down into five categories. In addition, the exhibit shows the cost of maintaining the four common systems as reported by CMS.

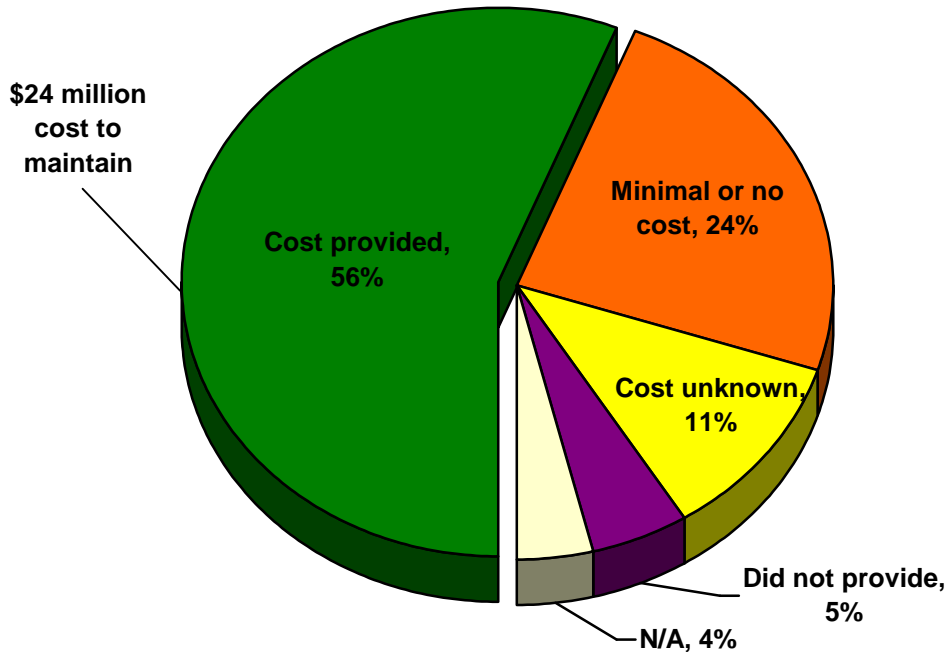
When considering the cost of maintaining the systems, it is important to remember that these are estimates as reported by the agencies. Agencies may have used different methodologies when reporting the costs. **This is also likely to be a conservative estimate.** Agencies provided cost estimates for only 172 of the 308 (56 percent) systems. (See Exhibit 2-5.) There were also instances within these 172 systems where agencies provided cost information for one cost component but either didn’t know or could not calculate other cost components.

For an additional 75 systems (24 percent), agencies said there was no cost or that there was a minimal cost without providing a specific amount while for 11 systems (4 percent) agencies responded “n/a.” For the remaining 50 systems, agencies did not provide the information (16 of 308 – 5 percent) or responded either that the amount was unknown or did not provide enough information to calculate the cost (34 of 308 – 11 percent). Even with these caveats, the cost of maintaining these systems is significant.

Exhibit 2-4 COST OF MAINTAINING THE SYSTEMS	
Cost Component	Estimated Cost
Personnel costs	\$11,764,349
Payments to other agencies	\$8,181,076
Contracts	\$1,756,346
Hardware costs	\$1,105,358
Other costs	\$184,401
<b>Total:</b>	<b>\$22,991,530</b>
Cost to maintain the four CMS common systems:	\$1,023,145
<b>Grand Total:</b>	<b>\$24,014,675 <sup>1</sup></b>
Note: <sup>1</sup> This total is a conservative estimate; cost estimates were provided for only 56 percent of the systems.	
Source: OAG analysis of agency surveys.	

**Exhibit 2-5**  
**PERCENT OF SYSTEMS THAT INCLUDED THE COST OF MAINTAINING THE SYSTEM**  
 Agency Responses to OAG Survey

56 percent of the systems accounted for the total estimated \$24 million cost of maintaining the systems; costs were unknown or not provided for 20 percent of the systems.



Source: OAG analysis of agency survey results.

**Cost of Using the Systems**

We also asked agencies to estimate the costs of using the systems in fiscal year 2010. This would be the time spent by agency staff utilizing the system for such things as data entry and monthly reporting. The responses to this question would provide an indication of the extent the system was used. If a system was used primarily for other purposes besides as a financial reporting system, the agency was advised to include only the portion related to financial reporting. The survey asked the agency to estimate the FTE (Full Time Equivalent) and the cost of the FTE. We received a wide disparity of responses to this question.

The total estimated cost of using the various financial reporting systems in fiscal year 2010 was not determinable. Based on the responses received, the cost was at least \$259.2 million. This included the costs of using the common systems which included payments made to CMS for using the systems. The estimated cost of using the systems is understated as we received an estimated cost for 80 percent (247 of the 308) of the systems. For 14 percent (43 of 308), agencies either did not provide an estimate or could not calculate the estimated cost. For

the remaining 6 percent (18 of 308), agencies responded that the cost was minimal or was not applicable.

Many agencies did a very good job in developing responses to this question. Their responses displayed that careful thought and work went in to developing the estimates provided. For example, the Treasurer’s Office listed each employee and the percent of time spent using the system. Some agencies were able to provide estimates for some systems but not others. For example, the Department of Human Services (DHS) provided estimated costs for 7 of its 20 systems. For other systems, DHS listed the number of users but stated that due to the wide range of employees using the system, an estimate could not be easily determined.

Other agencies were unable to provide any estimate. For example, Central Management Services responded:

*“...we do not have an effective way to measure this. We have a highly complex and decentralized fiscal operation and tremendous variability by fund. It's not worth the effort for us to come up with what would amount to a meaningless estimate.”*

### **Age of the Systems**

Half of the financial reporting systems in use at State agencies are more than 10 years old. Many of these are archaic systems that were first installed more than 20 years ago. As the systems age, updating and maintaining the systems becomes an issue. Also, the ability to interface with other systems becomes more difficult. This limits flexibility and adds cost due to duplication of work.

In our survey, we asked agencies when each system, not including the common systems, was first installed. Agencies were able to provide a date for 79 percent (243 of 308) of the systems. In some cases, agencies did not know when a system was first installed and in other cases, this question was left blank. For those that did provide a date, 17 percent (41 of 243) were first installed more than 20 years ago and an additional 35 percent (84 of 243) were first installed more than 10 years ago. The four common systems developed by CMS are also aging. Those systems were first implemented in 1972 (Central Payroll System), 1992 (Central Time and Attendance System), 1995 (Accounting Information System), and 1998 (Central Inventory System).

The oldest system from our survey (other than CMS’ Central Payroll System) was a supplies inventory system at the Department of Employment Security. This system was first installed in 1974. Even though the system was upgraded in 2010, Employment Security indicated in its response that the system was antiquated and does not easily interface with its accounting system. Employment Security uses its own accounting system which was first installed in 1999. Employment Security also uses a payroll system that was first installed in 1987 which also has problems interfacing with the accounting system.

Antiquated systems also can be the root cause of errors in financial reporting. For example, in fiscal year 2008, the Department of Corrections did not accurately record all capital assets and presented inaccurate information in its GAAP package. Capital assets were

understated by as much as \$30 million and depreciation was misstated by \$5.8 million. The Department's Automated Property Control System (APCS) was the primary cause for these problems. Inherent limitations in the antiquated system, a system more than 25 years old, led to the errors. In response to the audit finding, the Department stated that resources do not exist to replace the system and several manual processes are required which are subject to human error.

Following are examples of comments from the survey responses where the age of the system was an issue:

- ***System is an old DOS based system and frequently has problems. Replacement in near future is planned.*** (ADAPTA system, installed in 1994, at the Department of Agriculture used for accounts receivable and cash)
- ***Integration with newer technology, or ability to extend via Web is significantly limited due to architecture and design dating back to 1979.*** (MARS system at the Department of Children and Family Services used for multiple functions)
- ***CARS is an old system that is becoming more and more difficult to update and maintain because of the lack of knowledge of its programming language in MIS and a lack of adequate MIS staff.*** (Consolidated Accounting Reporting System, installed in 1998, at the Department of Human Services used for multiple functions)
- ***Real Property is a very old system that is becoming more and more difficult to update and maintain. Modern features are difficult to install.*** (Fixed Assets Reporting System, installed in 1981, at the Department of Human Services)
- ***Old system not compatible with our current accounting system.*** (VFACS system, installed in 1988, at the Illinois Math and Science Academy used for fixed assets and inventory)
- ***Written in unsupported DOS version of FoxPro, eventually will stop working due to OS updates.*** (Consolidated Accounting System, installed in 1994, at the Department of Revenue)
- ***Very old and difficult to maintain.*** (Fiscal Internal System for Cost Accounting and Ledgering, installed in 1979, at the Illinois State Police)

### **Systems Are Not Interrelated**

Many of the financial reporting systems are not interrelated which results in manual intervention to convert data from one system so it can be used in another. When data is converted or manually reentered, it adds time to the process and increases the likelihood of errors. This duplicate work also adds substantial costs in operating the systems.

**Example of a Manual Process**

The Illinois Commerce Commission (ICC) uses CMS’ Central Payroll System. For each payroll period, ICC downloads the payroll file from CMS to a new file. The new file is loaded into the budget system. Using a spreadsheet, payroll information is extracted from the budget system for use in posting personal services expenditures into the agency’s accounting system. For what should be an automated process, ICC must use four systems to manipulate the data.

For each financial reporting system, we asked agencies if the system automatically interfaced with other systems. For those that responded, **53 percent of the systems did not interface with any other systems.** Following are examples of comments from the survey responses where lack of interfacing with other systems was an issue:

- *System is not flexible and requires many manual workarounds.* (Interest Allocation system at the Treasurer’s Office)
- *Antiquated ~ hierarchal database that does not easily interface with Administrative Accounting System (AAS).* (Supplies Inventory Control Systems at the Department of Employment Security)
- *It is not a complete general ledger accounting system and it does not interface with other accounting systems used by the Agency.* (Financial Assistance System at the Environmental Protection Agency)
- *Manual - data entry - subject to error. Does not interface with reporting systems.* (Excel Spreadsheets used for accounts receivable, budgeting, cash, procurement, and timekeeping at the Gaming Board)
- *Manual entering of information. It would be perfect if it could interface with another system to download the information.* (Cash Book used for general accounting, grant accounting, and cash at the Department of Public Health)

We also asked agencies to estimate the amount of duplicated data entry time from the systems not being interfaced with other systems.

**The total estimated annual cost resulting from duplicated data entry was not determinable. Based on the responses received, the cost was at least \$11.3 million.** This duplicated effort came from 17 percent (51 of 308) of the systems. This is a conservative estimate as agencies did not include a response for 24 percent (74 of 308) of the systems while for an additional 3 percent (10 of 308) of the systems there was duplication of effort but not enough information was provided to calculate the cost.

The Department of Corrections estimated that 100% of the time spent using its Automated Property Control System was duplicated effort as it does not interface with other systems and does not produce fixed asset reports that are GAAP compliant. This duplicated effort was estimated to cost \$1.4 million each year.

For 42 percent (129 of 308) of the systems, agencies responded that there was no duplicated data entry time associated with these systems while an additional 6 percent (17 of 308) said there was some duplication but it was minimal. For the remaining systems, 7 percent (23 of 308) responded “N/A – not applicable” and 1 percent (4 of 308) responded “unknown.”

### **Systems are not GAAP Compliant**

The vast majority of systems used for financial reporting purposes are not GAAP compliant. The day-to-day accounting records throughout the State of Illinois are generally maintained on the budgetary or cash basis of accounting. GAAP (Generally Accepted Accounting Principles) reporting requires each State agency to make appropriate adjustments to these budgetary basis accounts on a fund-by-fund basis to reflect a modified accrual or GAAP basis financial statement presentation.

For each system used, we asked agencies whether the system was GAAP compliant. A GAAP compliant system would either maintain information on a GAAP basis or routinely convert the information to a GAAP basis. Agencies responded that 16 percent (49 of 308) systems were GAAP compliant. This percentage is likely even lower depending on the definition of “GAAP compliant” used by the agencies. When we asked Comptroller’s Office officials at the entrance conference how many systems were GAAP compliant, they responded that only a handful would be GAAP compliant.

A statewide system that maintains information on a GAAP basis or routinely converts information to a GAAP basis would drastically reduce the amount of time spent by agencies during the GAAP process. The current process requires a significant amount of manual processes to convert information to a GAAP basis. The next section discusses the GAAP reporting process in more detail.

### **The GAAP Process**

The State of Illinois' current financial reporting process does not allow the State to prepare a complete and accurate Comprehensive Annual Financial Report (CAFR) or the Schedule of Expenditures of Federal Awards (SEFA) in a timely manner. Reporting issues at various individual agencies caused significant delays in finalizing the financial statements, something that did not occur until June of the subsequent year for the past three fiscal years. The current system requires State agencies to prepare a series of complicated financial reporting forms (SCO forms) designed by the Office of the State Comptroller to prepare the CAFR.

**Failure to submit GAAP packages in a timely fashion along with failing to submit GAAP packages accurately have been major reasons for the significant delays in completing the CAFR.** A number of agencies have had findings related to the timely completion of their GAAP packages. Following are some examples.

- **Department of Human Services** – Year-end financial reporting in accordance with generally accepted accounting principles (GAAP) to the Illinois Office of the Comptroller was not timely and contained numerous inaccuracies and errors which resulted in changes being made to originally submitted information. GAAP reporting packages were due to the Comptroller on September 11, 2009, but the final packages were not submitted until September 25, 2009, approximately 2 weeks late. Due to discussions and communication between DHS, the Comptroller, and other State agencies and universities, certain forms within the submitted GAAP reporting packages did not receive the Comptroller’s final review until February 24, 2010, and

the final draft of the financial statements, after adjustments, was provided to the auditors on April 7, 2010, approximately six months late. (Finding 09-01)

- **Department of Healthcare and Family Services** – Year-end financial reporting in accordance with GAAP to the Comptroller was not timely and contained inaccuracies. Several errors were identified during the audit of the Department’s draft financial statements. GAAP reporting packages (15 of 32) were submitted late. The reporting packages were submitted up to 35 days after the due dates. In addition, the Department’s financial statements were not provided to the auditors until eight months after end of the fiscal year. (Finding 09-2)
- **Department of Corrections** – Year-end financial reporting to the Comptroller’s Office contained numerous inaccuracies and incomplete data. The GAAP packages were submitted 1 ½ months late. In addition, during the audit, the Department did not provide auditors with documentation to support the GAAP reporting packages until almost five months after it was first requested. Providing late documentation significantly delays the audit and impacts the preparation of the statewide financial statements. (Finding 08-1, 08-2)
- **Secretary of State** – GAAP reporting packages were submitted late for 59 of its 63 funds. The reporting packages were submitted up to 28 days after the due dates. (Finding 09-8)

In addition to the problems noted above, our agency survey asked a series of questions on the GAAP reporting process. For individual responses from each agency, see Appendix D.

### Completing GAAP Packages in a Timely Fashion

We asked whether the financial reporting systems used allowed the agency to complete the GAAP reporting packages in a timely fashion. For some agencies, this question was not applicable because the Office of the Comptroller completes their GAAP packages. For the remaining agencies, 82 percent (53 of 65) responded that the systems used do allow the agency to complete the GAAP package in a timely fashion. It should be noted, however, that 18 of those 53 (34 percent) had one or more fiscal year 2009 GAAP packages that were submitted late.

Twelve agencies responded that their financial systems do not allow them to complete GAAP packages in a timely fashion (see inset). These 12 agencies included 4 of the largest 7 agencies based on fiscal year 2010 appropriated expenditures. Cumulatively, these 12 agencies accounted for 28 percent of the State’s total fiscal year 2010 appropriated expenditures.

**12 agencies responded that their financial systems do not allow them to complete GAAP packages in a timely fashion:**

- Children and Family Services
- Community College Board
- Emergency Management Agency
- Human Rights
- Human Services
- Illinois Power Agency
- Labor
- Law Enforcement Training and Standards Board
- Natural Resources
- Revenue
- Transportation
- Veterans' Affairs



For these 12 agencies, specific comments included:

- *Data is manually collected from the various systems and input to forms and then into the system.* (Department of Children & Family Services)
- *No system to capture revenue.* (Department of Human Rights)
- *There are disparate systems that must be used to roll up information needed to prepare GAAP packages. There are not sufficient tools to prepare packages.* (Department of Labor)
- *Depend on too many various staff and systems.* (Department of Natural Resources)
- *The timeframes are not reasonable. The system limitation is the multiple systems used and lack of integration between those systems....* (Department of Revenue)
- *Not integrated, do not report on GAAP basis.* (Department of Transportation)
- *Many items, such as payables, must be tracked manually.* (Department of Veterans' Affairs)

We also asked agencies what other factors impact the ability to complete year-end reporting in a timely and accurate manner. Several agencies noted that competing priorities occur due to auditors from our Office conducting audits and requesting information at the same time that GAAP packages are being completed. Other comments included timeliness in obtaining needed information from other State agencies and completing GAAP packages during lapse period processing.

### **Staffing Costs for the GAAP Conversion Process**

The estimated cost for agency fiscal staff to complete the year-end GAAP conversion process was not determinable. Based on the responses received, the cost was at least \$3.7 million. We asked agencies to estimate the cost of agency fiscal staff doing the GAAP conversion process. For some agencies, GAAP reporting packages are completed "in-house" by Office of the Comptroller personnel in conjunction with agency fiscal personnel. Other small agencies might complete their own GAAP package but only complete it for one fund. Many of these agencies reported no cost or minimal cost or that the question was not applicable. For 59 agencies, we were able to calculate an estimated cost of agency fiscal staff doing the GAAP conversion process. Two of the larger agencies, Transportation and Human Services, did not provide a cost estimate.

<p>The estimated staffing cost for the GAAP conversion process was at least \$3.7 million. This does not include two large agencies that were unable to provide an estimate.</p>
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We also asked agencies to estimate, if a new financial reporting system was implemented which automatically took financial information entered during the year and converted it to GAAP-basis for submission to the Comptroller’s Office, how many staff hours would be saved. For those agencies that responded, **an estimated 16,100 hours was estimated to be saved at 40 agencies.** This equates to more than 8 FTE. Using an average FTE cost of \$100,000, this would equate to a savings of over \$800,000.

**Responses from 40 agencies estimated that over 16,000 hours would be saved if a new financial reporting system was implemented. This estimate is likely higher.**

Responses from the remaining 44 agencies:

- 13 agencies did not respond
- 2 agencies were unable to estimate
- 5 agencies responded unknown
- 18 agencies responded minimal or no time would be saved
- 6 agencies responded not applicable

The GAAP conversion staff hours estimate is understated because 13 agencies did not provide a response to this question. In addition, 2 agencies responded that time would be saved but could not provide an estimate while 5 agencies simply responded unknown. Conversely, 18 agencies responded that either minimal time or no time would be saved with a new system and 6 responded not applicable.

### **Contracting with Consultants**

Many agencies contract with consultants to provide assistance with financial reporting or in preparing GAAP packages. In response to our survey, 23 agencies indicated that they contract with consultants. This amount totaled \$991,000. This included \$500,000 reported by the Department of Corrections which also included ARRA (American Recovery and Reinvestment Act) monitoring that was not broken out separately.

This is indicative of an overall problem. Agencies may lack the staffing resources needed to complete the GAAP packages on their own or the employees may lack the technical expertise needed to complete the GAAP packages. As noted previously, the GAAP packages are complex forms that are only completed once a year. One agency noted: “It’s fine if you’ve done GAAP package in the past, but if you’re new coming in to the process, there’s not much out there to assist.” Another agency stated “staff vacancies and turnover resulted in both shortages of people to do the tasks and inexperience in the process.”

23 agencies contracted with consultants to provide assistance with financial reporting for an amount totaling \$991,000 in fiscal year 2010.

### **Staffing Issues**

Sufficient staff which are qualified and adequately trained in financial reporting are critical for any reporting system to be successful. Previous findings issued by our Office have stated that agency personnel involved with the financial reporting process may lack the qualifications, time, support, and training necessary to timely and accurately report year end accounting information. The Governor’s Office agreed with this finding noting: “The

decentralized nature of the State's accounting systems and lack of a general ledger system results in time consuming, manual tabulations by accounting personnel who lack the qualifications and systems to report accurate financial information on a timely basis.”

Exhibit 2-6 STAFFING RELATED QUESTIONS		
Question	Yes	Percent
Has a lack of staff impacted your agency's ability to complete year-end reporting in a timely and accurate manner?	24 (of 74)	32%
Has a lack of <u>trained</u> staff impacted your agency's ability to complete year-end reporting in a timely and accurate manner?	23 (of 74)	31%
Does the State's current personnel system impede your agency's ability to hire qualified staff in the area of financial reporting?	23 (of 71)	32%
Would additional training from the Comptroller's Office on GAAP reporting be beneficial?	25 (of 75)	33%

Source: OAG analysis of agency surveys.

In our survey, we asked agencies staffing related questions and received similar overall responses to each question. Exhibit 2-6 shows the questions, the number responding yes, and the percent of those responding. Not all agencies provided responses to each question. Approximately one of every three agencies responded that a lack of staff and a lack of trained staff impacted their ability to complete year-end reporting in a timely and accurate manner. Six of the largest 10 agencies, based on fiscal year 2010 appropriated expenditures, responded yes to these staffing questions. Specific comments included:

- *Due to prior staff having left and not been replaced, other staff is forced to recreate what was done in the prior year without any guidance.* (Department on Aging)
- *Staff vacancies and turnover resulted in both shortages of people to do the tasks and inexperience in the process.* (Department of Corrections)
- *Our staff is down 55%. No one thoroughly trained.* (Illinois Emergency Management Agency)
- *New employees and lack of trained staff and having no experienced GAAP people any longer creates a huge learning curve.* (Governor's Office of Management and Budget)
- *This is a specialized skill that is not needed all year, so it is done by untrained/under trained staff.* (Law Enforcement Training and Standards Board)

**Six of the largest 10 agencies felt that lack of staff and lack of trained staff impacted the timeliness and accuracy of year-end reporting:**

- Children and Family Services
- Corrections
- Healthcare and Family Services
- Human Services
- Revenue
- Transportation

- *We have people trying to assist with year-end packages that have no idea what accrual accounting or even a payable/receivable are. We have people who believe federal billing is the only accountability they have for their grants. Getting accurate info out of untrained people is excruciatingly difficult.* (Department of Natural Resources)
- *Until two years ago the fiscal staff had no accountants.* (Workers’ Compensation Commission)

Similar to the first two questions, approximately one of three agencies responded that the State’s personnel system impeded the agency’s ability to hire qualified staff. Specific comments included:

- *The current personnel system impedes our ability to hire qualified staff. Years of service are considered equivalent to education whereas special skills and qualifications are needed for financial reporting staff.* (Healthcare and Family Services)

**Seven of the largest 10 agencies felt the State’s personnel system impeded hiring of qualified staff:**

- Children and Family Services
- Commerce and Economic Opportunity
- Corrections
- Healthcare and Family Services
- Human Services
- Revenue
- Transportation

- *Current title used for accountants are PSA Option 2, which does not require a bachelor’s in accounting. It allows the candidate to have equivalent experience...CMS titles have not kept pace with changes in the industry, such as increasing the number of years of college from a bachelor’s degree to the 5 year requirement to sit for the CPA exam. An entry level accounting job title which would require the applicant to meet the CPA candidate requirements would be very advantageous.* (Department of Human Services)
- *Because we promote through titles and we don’t hire outside state employees getting qualified, knowledgeable, competent people is nearly impossible.* (Department of Natural Resources)
- *Union agreements make selection of qualified staff difficult and untimely.* (Department of Transportation)

About one of every three agencies also felt that additional training from the Comptroller’s Office would be beneficial. The training provided by the Comptroller’s Office is discussed in more detail in Chapter 5.

<b>QUALIFIED STAFFING</b>	
<b>RECOMMENDATION NUMBER 1</b>	<i>The Governor’s Office should work with agency fiscal staff to ensure that agencies have the staff needed in the area of financial reporting. The Governor’s Office should also work with Central Management Services to make any needed adjustments to the current personnel system so that agencies can obtain qualified staff.</i>
<b>GOVERNOR’S OFFICE RESPONSE</b>	<p>The Governor’s Office concurs with the Office of the Auditor General’s recommendation. The Governor’s Office of Management and Budget has worked with the fiscal staff of other agencies to draft job descriptions for accountants. These job descriptions are written to assure that staff hired into accountant positions will have the required educational and work experience to compile GAAP financial reports. These positions have been submitted to Central Management Services and are awaiting CMS action. The process of creating and filling positions in the agencies with qualified people is a long-term strategy. The task to have these positions approved and to work with agencies to hire qualified people will take time. In the interim, GOMB is happy to partner with the Comptroller’s Office to provide assistance to agencies. Providing training and support is outlined in the Comptroller’s response to recommendation number three.</p> <p>The Governor’s Office will also work with the Department of Central Management Services to evaluate improvements that can be made to the personnel system and all of its components. The end result would be to make the system more efficient and responsive to the needs of the state.</p>

**Overall Satisfaction with the GAAP Conversion Process**

We asked agencies to rate their satisfaction with the year-end GAAP conversion process and to provide suggestions for how it could be improved. As shown in Exhibit 2-7, 49 percent (36 of 73) of agencies were either satisfied or very satisfied with the current process, 18 percent were dissatisfied or very dissatisfied, while 33 percent were neutral.

Responses indicated that many agencies are satisfied with the current system. For example, the Capital Development Board’s response stated simply “I do not want a new financial reporting system.”

The Illinois State Police was satisfied with the process but stated that it would greatly benefit from an Enterprise Resource Planning System. Such a system could be utilized to manage fixed assets, financial resources, commodities as well as human resources. An enterprise-wide system environment would assist them greatly with efficiencies needed due to reduced staffing.

Exhibit 2-7 <b>SATISFACTION WITH YEAR-END GAAP CONVERSION PROCESS</b>		
<b>Category</b>	<b>Total</b>	<b>Percent</b>
Very satisfied	10	13.7%
Satisfied	26	35.6%
Neutral	24	32.9%
Dissatisfied	9	12.3%
Very dissatisfied	4	5.5%
<b>Total</b>	<b>73</b>	
Source: OAG analysis of agency surveys.		

One of the agencies dissatisfied with the process, the Department of Veterans’ Affairs, noted that the timing of year end financial reporting is challenging for smaller agencies where the same staff members are processing invoices to close out one fiscal year and set up appropriations for the next fiscal year. Its response added that the manual gathering and compiling data for complex GAAP forms is cumbersome.

Another agency, the Department of Revenue, stated that there should be no manual forms with regards to the GAAP packages. The automated roll-up should edit everything to eliminate many manual errors. The Department of Labor suggested that the Comptroller’s WEDGE system be completely automated to eliminate redundant reporting requirements and the possibility of data entry errors.

Other agencies provided overall comments and suggestions. The Law Enforcement Training and Standards Board provided extensive comments emphasizing that if a new system is implemented it should not be a commercial off-the-shelf product. The Council on Developmental Disabilities stated that if a new system is developed, input from smaller agencies should be obtained. The Department of Human Services strongly suggested interviewing fiscal staff at the agencies to get a more comprehensive view of the accounting systems used.

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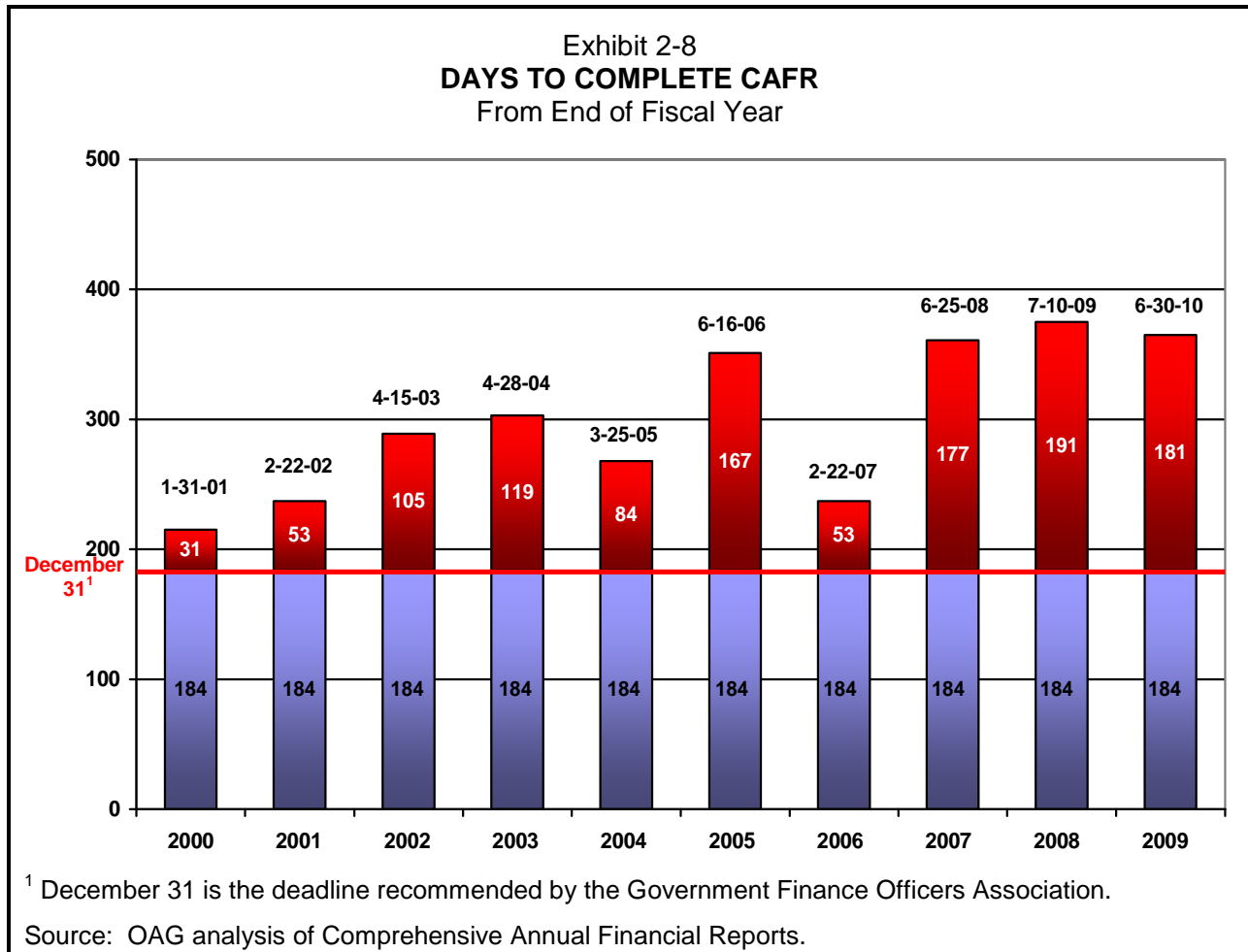
## **IMPACT OF CURRENT FINANCIAL REPORTING SYSTEM**

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One major impact of the current financial reporting system is that year end financial reporting is not completed in a timely fashion. In Illinois, year end financial reporting consists primarily of the Comprehensive Annual Financial Report (CAFR) and the Statewide Single Audit.

### **Comprehensive Annual Financial Report**

In the last three years, Illinois’ CAFR was not completed until approximately one year after the end of the fiscal year. In contrast, many businesses prepare quarterly reports, as well as annual reports that are issued within two or three months of the end of the fiscal year. There is no statutory requirement for when the CAFR should be completed. However, historically, the goal was to complete the CAFR by December 31 in order to meet requirements for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. The Illinois Office of the Comptroller has been granted extensions from the GFOA for late filing after the six month deadline. Thus Illinois has continued to receive the certificate. Exhibit 2-8 shows, for the last 10 years, the number of days elapsed from the end of the fiscal year to when the CAFR was completed. The exhibit highlights in red the number of days elapsed after December 31.



The delays in releasing the CAFR are significant for a number of different reasons and are discussed below.

### Noncompliance with GASB Concepts Statement No. 1

For financial reports to be useful, they must be timely. In 1987, the Governmental Accounting Standards Board (GASB) issued Concepts Statement No. 1 – Objectives of Financial Reporting. Regarding timeliness, it states “If financial reports are to be useful, they must be issued soon enough after the reported events to affect decisions...the passage of time usually diminishes the usefulness that the information otherwise would have had.” The untimely release of the State’s CAFR is not in compliance with the most basic of financial reporting objectives.

### State Financial Management/Oversight Adversely Affected

Legislative and oversight bodies are one of the primary users of financial reports. It is intended for legislative and oversight officials to use financial reports to compare budgets to the actual results. They also need to assess the overall financial condition when developing both capital and operating budgets for the next fiscal year. When financial reports are not available, legislative and oversight officials are forced to use outdated and incomplete information or unaudited numbers.

## Negative Factor Affecting Bond Ratings

Untimely financial reporting is a negative factor that affects the State’s bond rating. When bond rating agencies are establishing ratings, they look at a number of different factors including the State’s financial condition. One of the key documents used by the bond rating agencies when assessing the State’s financial condition is the audited financial statements as contained in the CAFR. Since, in recent years, the release of the CAFR has been delayed, bond rating agencies do not have current financial information to examine. The negative affect on the State’s bond rating is difficult to quantify but could be significant.

Following are examples from the bond rating methodologies used by the three major bond rating agencies:

- Fitch’s state rating criteria explicitly states “Fitch views negatively late release of audited financial statements.”
- Standard & Poor’s criteria states “GAAP reporting is considered a credit strength, and the ability to meet the Government Finance Officers Association’s (GFOA) Certificate of Conformance reporting requirements also is viewed favorably.” It goes on to state “Lack of an audited financial report prepared according to GAAP could have a negative impact on an issuer’s rating, since questions about reporting will be raised.”
- Moody’s state rating methodology notes that it looks at a number of balance sheet measures, but cash position and fund balances as presented in the CAFR provide a critical point of comparison. “In an effort to make apples-to-apples comparisons among states, Moody’s relies heavily on audited GAAP financial statements.”

Moody’s also uses a quantitative analytical tool called the U.S. States Credit Scorecard to compare the states. The Scorecard is largely derived from data published in the CAFR. If the CAFR is not issued timely, older financial data must be used. In addition to deriving information from the CAFR, the Scorecard contains a variable on timely GAAP-based audited financial reporting. The Scorecard contains four fundamental categories: finances, economy, debt, and governance. The Governance category is negatively affected if the audited financial statements are not released within nine months of the end of the fiscal year.

Illinois’ untimely financial reports have been highlighted as negative factors in two recent reports issued by Moody’s. The reports listed “Strengths” and “Challenges.” Untimely financial reporting was listed in the challenges section in both reports:

- One of five challenges listed: “Delayed publication of audited financial reports” – report issued September 16, 2009, to assign a rating for \$400 million in general obligation bonds.
- One of five challenges listed: “Delayed financial reports” – report issued March 29, 2010, to assign a rating for \$356 million in general obligation bonds.

A recent rating update from Moody’s highlights the importance of the audited financial statements. In June 2010, the State’s bond rating was downgraded from Aa3 with a negative

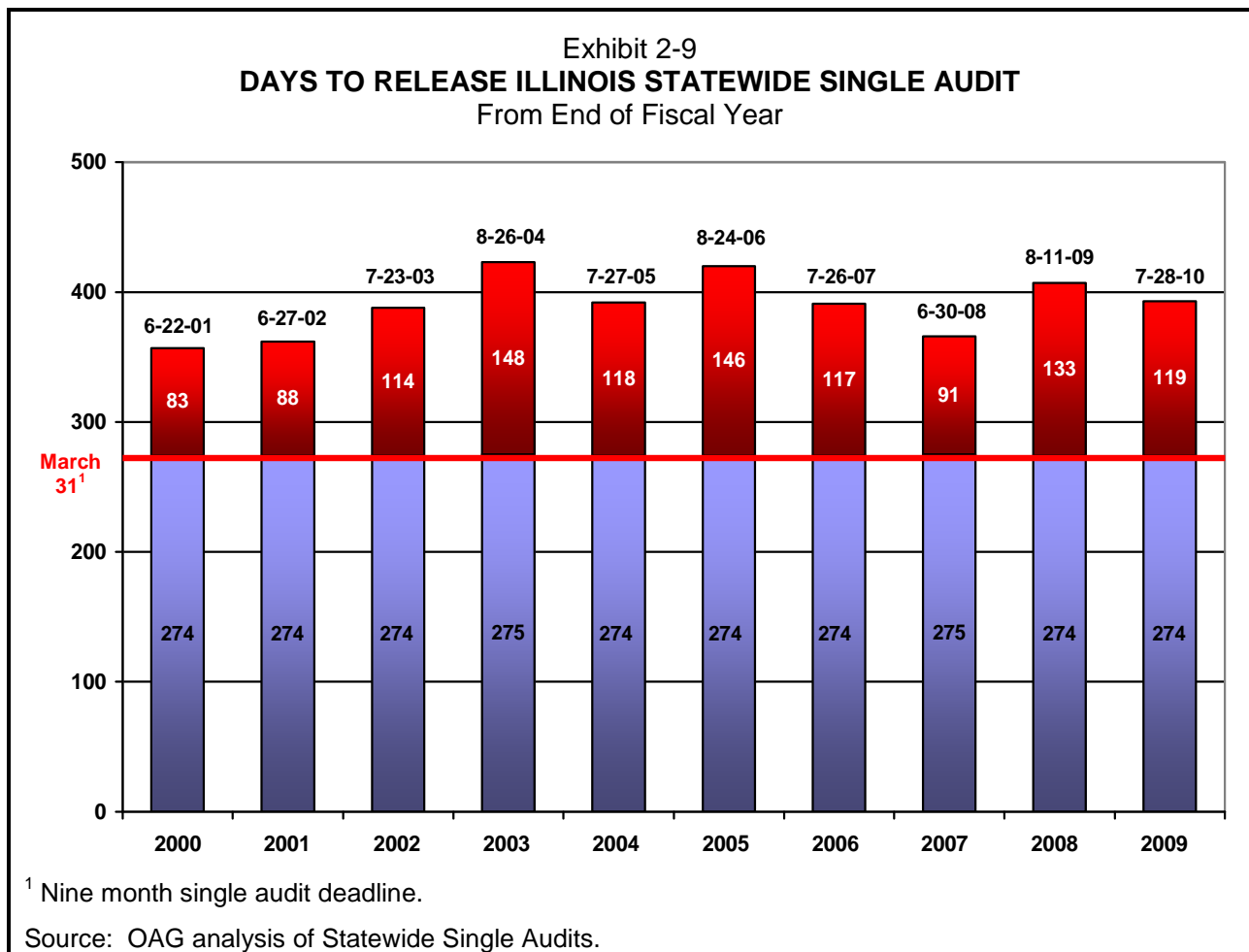


outlook to A1 with a stable outlook. In September 2010, Moody’s issued a rating update that revised Illinois’ rating from A1 with a stable outlook to A1 with a negative outlook. One of the key factors in this change was that, following the June downgrade, the State published its audited financial statements. The audited financial statements showed that the general fund deficit had widened to \$7.7 billion.

### Statewide Single Audit

All non-federal entities that expend \$500,000 or more of federal awards in a year are required to obtain an annual audit in accordance with the Single Audit Act. A single audit is intended to provide a cost-effective audit for non-Federal entities in that one audit is conducted in lieu of multiple audits of individual programs. The audit is required to be completed within nine months of the end of the fiscal year.

Since 2000, Illinois has not completed the statewide single audit within the required nine month deadline. Exhibit 2-9 shows the release date of the statewide single audit compared to the due date of March 31 for the last 10 years. As shown in the exhibit, Illinois has not come close to meeting the March 31 deadline and has shown no improvement towards meeting the deadline.



The delay in completing and submitting the Statewide Single Audit is significant for a number of different reasons:

### **Noncompliance with Federal Single Audit Time Requirements**

The federal government requires most entities that receive federal awards to have an audit conducted which must be submitted within nine months after the end of the fiscal year. In Illinois, the deadline to submit the audit is March 31 but the federal oversight agency can grant an extension of that time. However, in March 2010, the federal Office of Management and Budget issued a memorandum stating that, due to the importance of the single audits, federal agencies should no longer grant extension requests. The federal government has also considered shortening the timeframe for submitting the single audit from nine months to six months. Currently, there is no penalty for not meeting the reporting deadline.

### **Negative Impact on Federal Funding**

Each year, the State of Illinois depends heavily on funding received from the federal government. In fiscal year 2009, Illinois expended \$23.7 billion in federal awards. Untimely financial reporting could have a negative impact on federal funding. Officials from the federal Department of Health and Human Services (HHS), which is the federal oversight agency for Illinois, noted that, although it was unlikely that a State would lose its federal funding, untimely financial reporting could have an effect on the amount of discretionary funding received. One federal official noted that the majority of HHS funding is entitlement funding but when you are up against another state for discretionary funding, financial reporting problems put your state in a negative light.

In May 2010, the Illinois Student Assistance Commission received a letter from the U.S. Department of Education regarding the single audit. The letter stated that if the audit was not submitted within 15 days, it would be classified as missing. The letter further stated that the Secretary of Education may "...suspend the payment of account maintenance fees, default fees, and claims to an entity that does not submit its audit within the required time period."

The Office of the Auditor General responded to the letter stating that the root cause of the delay was failures in timely and accurate financial reporting by the various State agencies that expend federal monies. For example, our Office planned on receiving the Schedule of Expenditures of Federal Awards (SEFA) in November 2009. The SEFA is a compilation by the Office of the Comptroller of all the information reported by State agencies on financial reporting forms pertaining to federal funds. We did not receive the SEFA until March 2010. Not until May 2010 did our Office receive a substantially complete set of financial statements and related note disclosures from the Office of the Comptroller.

Illinois is not alone in being threatened with the loss of federal funding. In Tennessee, the fiscal year 2009 CAFR was not released until August 6, 2010, which also delayed the release of Tennessee's single audit. In a letter addressed to other State leaders dated August 9, 2010, the Tennessee Comptroller of the Treasury discussed financial reporting issues. The letter noted that due to the late single audit report, Tennessee had received communications from the federal government listing possible consequences including delay or termination of federal funding.

### **Hampers Oversight and Adds to the Cost of Administering the Programs**

Federal officials noted that Illinois has a history of a repeated finding regarding the financial reporting system and has not shown any progress. One result is increased scrutiny from the federal government. Increased scrutiny has several effects including making it more costly for the State to administer the program. The federal government may do more monitoring because they don't yet have the single audit in hand, which adds costs for the State. Increased scrutiny could also uncover more issues and creates a bad climate.

Federal officials also noted that audits decrease in value as time passes. A decentralized financial reporting system, as Illinois has, likely adds to the cost because it takes longer to compile everything and the quality usually decreases. Also, when an audit comes out later, it makes it more likely that the same issues in an audit finding will be repeated. Any questioned costs take on a greater emphasis because they may have gone on for a longer period of time and may have to be repaid. The more it builds, the worse it is.

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## **CONCLUSIONS: ILLINOIS' FINANCIAL REPORTING SYSTEM**

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Illinois has a highly fragmented and decentralized financial reporting system that utilizes over 260 different systems. Many systems used are archaic and obsolete. Systems are expensive to maintain, do not interface with each other, and are not GAAP compliant.

The State's current financial reporting process does not allow the State to prepare a complete and accurate CAFR or SEFA in a timely manner. The delays in releasing the CAFR limit oversight and have a negative impact on the State's bond rating. The delays in releasing the Statewide Single Audit could have a negative impact on federal funding.

<b>CORRECTING PROBLEMS WITH THE FINANCIAL REPORTING SYSTEM</b>	
<b>RECOMMENDATION NUMBER 2</b>	<i>The Governor’s Office and the Office of the Comptroller should develop and implement a plan to correct the problems with the current financial reporting process and begin overhauling the State’s financial reporting system. During this process, they should examine the results of our agency survey and obtain input from affected parties.</i>
<b>GOVERNOR’S OFFICE RESPONSE</b>	<p>The Governor’s Office concurs with the Office of the Auditor General’s recommendation. The Governor’s Office recognizes that the State must address the issue of need for a centralized financial accounting system. However, as the Office of the Auditor General acknowledges in its report, to address such issues will require--with the help of the General Assembly--the allocation of considerable financial resources to this long-term project, whether through the State’s Capital Program or otherwise.</p> <p>The Office of the Governor has appointed a Chief Information Officer to manage the State’s Information Technology resources, with the specific task of creating and implementing a comprehensive strategic plan, major components of which are directed at:</p> <ol style="list-style-type: none"> <li>1. integrating related, but currently disparate and disconnected financial accounting systems;</li> <li>2. reviewing and redefining business processes in and among state agencies in the interest of efficiency and simplicity;</li> <li>3. establishing statewide IT management standards that require and incent agencies to realize synergies in and among themselves.</li> </ol> <p>A centerpiece of this strategy will be a consistent and long-term focus on migrating the data from legacy, archaic systems to relational databases—modern, searchable and integrated storehouses—thereby decommissioning antiquated technology, and replacing it with more modern, less expensive, and more usable integrated systems.</p>
<b>COMPTROLLER’S OFFICE RESPONSE</b>	<p>We concur with the OAG recommendation. For the short term, the Comptroller’s Office has developed a plan to update the current WEDGE and CAFR systems for the next reporting cycle. For the long term, we agree the best course of action for the State is to invest in a new centralized GAAP compliant financial reporting system. We will work with the Governor’s Office to develop a proposal for a new centralized GAAP compliant financial reporting system for the State of Illinois.</p>

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## Chapter Three

# FINANCIAL REPORTING IN OTHER STATES

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## CHAPTER CONCLUSIONS

Senate Resolution Number 609 asked us to survey other states to determine their methods of financial reporting and any advantages or disadvantages to those methods. To accomplish this, we surveyed the state officials responsible for preparing the Comprehensive Annual Financial Report (CAFR) in the 50 states and the District of Columbia. We received responses from 67 percent (34 of 51) of the states surveyed.

Illinois was one of only three states that reported having a decentralized financial reporting system. Including Illinois, 9 percent (3 of 34) of the states responding had a decentralized financial reporting system. For 62 percent (21 of 34), the states had a centralized financial reporting system but it was not GAAP (Generally Accepted Accounting Principles) compliant. This means that the preparer of the CAFR does a conversion or reconciliation process for GAAP reporting. For 24 percent (8 of 34), the states had a centralized financial reporting system that generated GAAP compliant information. This type of system is the most desirable option.

In the last five years, 8 of our 34 responding states have either implemented or began the implementation process for a new centralized financial reporting system. The cost of implementing a new financial reporting system ranged from \$7.2 million in Rhode Island to \$158 million in Ohio. Of the eight states, Ohio was the only one that reported a vendor developed system. The other systems were either purchased off the shelf or purchased off the shelf and then tailored to meet the needs of the state. Georgia implemented a system that cost only \$485,000 but it was not comparable to the other systems because it was a consolidation and reporting system that feeds data from an underlying system.

In addition, ongoing costs are a part of maintaining a centralized financial reporting system. We asked the eight states with newer systems how much is spent in software maintenance, application management, enhancements and other costs. Total ongoing costs for four of the states ranged from Rhode Island spending the least, with \$1.65 million annually, to Tennessee spending the most at \$17 million annually.

We compared Illinois' timeliness in releasing the CAFR and Statewide Single Audit with the other 49 states and the District of Columbia. In the last five years, Illinois has ranked 49<sup>th</sup>, 41<sup>st</sup>, 49<sup>th</sup>, 50<sup>th</sup>, and 49<sup>th</sup> in releasing its CAFR. Similarly, Illinois ranked second to last in releasing its most recent Statewide Single Audit, releasing it 119 days past the nine month deadline. Over the last five years, Illinois has ranked 40<sup>th</sup> (of 45), 43<sup>rd</sup> (of 45), 40<sup>th</sup> (of 46), 43<sup>rd</sup> (of 47), and 46<sup>th</sup> (of 47) in releasing the Statewide Single Audit.

We asked states if there were any consequences to an agency for not complying with reporting deadlines. Of the states responding, 14 responded yes, 19 responded no, and 1 state responded that there are consequences for CAFR late reporting but not for the Schedule of Expenditures of Federal Awards (SEFA).

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## **FINANCIAL REPORTING SYSTEMS BY STATE**

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Senate Resolution Number 609 asked us to survey other states to determine their methods of financial reporting and any advantages or disadvantages to those methods. To accomplish this, we surveyed the state officials responsible for preparing the Comprehensive Annual Financial Report (CAFR) in the 50 states and the District of Columbia. We received responses from 67 percent (34 of 51) of the states surveyed.

The survey asked states the type of financial reporting used. For those states that had implemented a new centralized system in the last five years or were in the process of implementing a new system, we gathered additional information. Of those responding, 24 percent (8 of 34) had implemented a new system in the last five years or were in the process of implementing a new system. The results of the survey are discussed in the following sections. More detailed results are included in Appendix E.

### **Types of Systems by State**

Illinois was one of only three states that reported having a decentralized financial reporting system. We asked the states to classify the type of system used into one of three basic categories. Exhibit 3-1 shows a breakdown of the type of financial reporting systems used and the corresponding states with those systems. Including Illinois, 9 percent (3 of 34) of the states responding had a decentralized financial reporting system. For 62 percent (21 of 34), the states had a centralized financial reporting system but it was not GAAP (Generally Accepted Accounting Principles) compliant. This means that the preparer of the CAFR does a conversion or reconciliation process for GAAP reporting. For 24 percent (8 of 34), the states had a centralized financial reporting system that generated GAAP compliant information. This type of system is the most desirable option.

Exhibit 3-1 <b>FINANCIAL REPORTING SYSTEMS BY STATE</b>				
<b>Decentralized</b> <i>Agencies generally have their own financial reporting systems and at year end, the preparer of the CAFR and statewide SEFA does a conversion or reconciliation process for GAAP reporting.</i>				
California	Illinois	Texas		
<b>Centralized but Requires Conversion for GAAP Reporting</b> <i>There is one centralized financial reporting system used by all or most State agencies but at year end the preparer of the CAFR and statewide SEFA does a conversion or reconciliation process for GAAP reporting.</i>				
Arizona	Georgia	Idaho	Iowa	Kansas
Maine	Maryland	Mississippi	Missouri	Nebraska
Nevada	New Hampshire	New Jersey	New York	North Carolina
Ohio	Rhode Island	South Dakota	Vermont	West Virginia
Wisconsin				
<b>Centralized and GAAP Compliant</b> <i>There is one centralized financial reporting system used by all or most State agencies, and the automated system generates GAAP compliant financial information.</i>				
Colorado	Florida	Michigan	Montana	New Mexico
Oregon	Tennessee	Washington		
<b>Other</b>				
Alabama	Virginia			
Source: OAG analysis of state survey responses.				

### States with Centralized Systems in the Last Five Years

Senate Resolution Number 609 asked us to emphasize states with centralized automated reporting systems. We focused on those states with newer systems. In the last five years, 8 of our 34 responding states have either implemented or began the implementation process for a new centralized financial reporting system. We asked these states questions regarding vendors used, costs involved, implementation timelines, and problems encountered.

Exhibit 3-2 identifies these eight states, when the project was implemented, how long the process took, problems that were involved and if cost and time savings were realized. The majority of the states with newer systems have centralized systems that still require GAAP conversion. New Mexico and Tennessee reported having GAAP compliant centralized systems.

Exhibit 3-2 <b>IMPLEMENTATION TIMELINES, PROBLEMS, AND COST/TIME SAVINGS</b>				
State	When implemented/ how long was the process?	Any problems that were encountered?	Cost Savings Realized?	Improved Timeliness of Financial Reporting?
Georgia	June 2010 4 months	No	Yes – In terms of time, costs and quality, but these have not yet been calculated. FY2010 is first CAFR with this.	Yes – Hard to quantify since it is the first year, but have experienced reduced time in loading, reviewing and reporting data.
Kansas	July 2010 21 months	No	Yes – Savings are expected (hardware, software, FTE) as agencies decommission systems and the state maximizes the efficiency of the system.	Yes – The Production System and Data Warehouse are being used to develop several hundred reports, with more expected over time.
Maine	2008 2 years	None noted	No	No
New Hampshire	July 2009 2 years	1. Attention of agencies; obstruction by resistant bureaucrats; agency non-adoption. 2. Reporting still not complete - too much ad hoc reporting.	No – not at this point.	No – nothing yet more timely.
New Mexico	July 2006 3 years	No	Yes – Elimination of redundant systems.	Yes – The CAFR is now completed within 7 months of the fiscal year end.
Ohio	July 2008 18 months	No major problems were encountered aside from the typical learning curve associated with new software.	Unknown	Yes – Due to implementation and training of employees on the new system, timeliness was not improved for FY08 and FY09. Timeliness is expected to improve beginning FY10 and in future years.
Rhode Island	July 2006 1 year	Challenges included conversion of data, establishment of security rules and training of the hundreds of State staff who use the system.	Yes – not yet quantified	Yes – Monthly management reports are available on a timelier basis and can be exported to Excel for analysis. Other reports are available real time as needed. No – CAFR.
Tennessee	Ongoing	We underestimated the change management needed for agencies to successfully convert their business processes from using a highly customized system to an off-the-shelf software. As a result, implementation was difficult.	No – since implementation is still ongoing.	No

Source: OAG analysis of state survey responses.



Exhibit 3-3 shows the vendors each of the eight states used and the services provided. Vendors were needed for implementation and integration of the centralized systems, in most cases. Oracle and/or PeopleSoft are utilized by 5 of the 8 (63%) states. Specifically, three states mention using PeopleSoft’s Human Capital Management (HCM) and Financial and Supply Chain Management (FSCM). More details on each of the eight states follow.

Exhibit 3-3 VENDORS USED AND SERVICES PROVIDED FOR CENTRALIZED SYSTEMS		
State	Vendor(s)	Services Provided
Georgia	Cherry Road Top Down	<ul style="list-style-type: none"> <li>• Consulting</li> <li>• Consulting</li> </ul>
Kansas	Accenture	<ul style="list-style-type: none"> <li>• Integration</li> </ul>
Maine	CGI	<ul style="list-style-type: none"> <li>• Software, Implementation</li> </ul>
New Hampshire	Ciber	<ul style="list-style-type: none"> <li>• Implementation, Customization</li> </ul>
New Mexico	Maximus, Inc. Oracle IBM Oracle PeopleSoft ACRO CITRIX	<ul style="list-style-type: none"> <li>• Implementation</li> <li>• Implementation</li> <li>• Hardware, Software</li> <li>• Software</li> <li>• Programming technical staff</li> <li>• Software</li> </ul>
Ohio	Accenture, LLP  Deloitte Consulting	<ul style="list-style-type: none"> <li>• Implementation, Integration, Assist with statewide business transformation</li> <li>• Business needs analysis</li> </ul>
Rhode Island	Oracle Corp.	<ul style="list-style-type: none"> <li>• Implementation, Data conversion, Training</li> </ul>
Tennessee	Maximus, Inc. Oracle PeopleSoft	<ul style="list-style-type: none"> <li>• Integration</li> <li>• Software</li> </ul>

Source: OAG analysis of state survey responses.

### Georgia

Georgia’s implementation differed from the other states in that the new system is a consolidation and reporting system. Georgia already had an underlying PeopleSoft system which is its statewide accounting system used by the majority of its State agencies. Georgia first implemented PeopleSoft in 1999 and has upgraded it as needed. The new system, called the Hyperion Financial Management system, takes data from PeopleSoft and consolidates it for reporting purposes.

Since the Hyperion Financial Management system is a consolidation and reporting system, the cost of implementation was much less compared to the other states that implemented a statewide accounting system. The cost totaled only \$485,000. The system was implemented from January through June 2010 and will be used in its fiscal year 2010 CAFR. The implementation/conversion process was only four months and was not done in phases. Georgia had a design session, built application and mapping tables, converted one year of history, and trained CAFR/Audit staff. It has not yet been rolled out to all agencies.

**Advantages** – *We are able to see consolidated data in one system (helps with reconciling information such as Cash and State Revenue, etc.). Hyperion has a mapping tool so the data from the agencies using the common ledger system are all mapped consistently. The reporting tool is integrated with Excel so we were able to take many of our existing files and just update them with Hyperion links.*

**Disadvantages** – *Many users are not on common general ledger (such as Component Units) and we have not set up mapping tables in the mapping tool so we have Excel templates for them to fill out to convert to our common language which we then load automatically into Hyperion.*

## **Kansas**

After a 21 month process, Kansas’ system was implemented on July 1, 2010. Kansas did not implement in phases. The system is called the Statewide Management, Accounting and Reporting System (SMART). It is PeopleSoft Financials 9.0 and includes general ledger, purchasing, accounts receivable, accounts payable, asset management, and projects/grants. Time and Labor functionality was added to the PeopleSoft Human Capital Management (HCM) 8.9 application used by the state for benefits, payroll and human resources. Kansas also implemented an Oracle Business Intelligence application for data warehousing.

**Advantages** – *SMART improves the efficiency of Kansas’ financial practices; increases the quality and timeliness of information provided to decision makers; increases the transparency, quality and timeliness of financial information to the public; provides “real-time” view of the financial management situation of the State; and reduces redundancies in financial management system used by the State.*

**Disadvantages** – No disadvantages noted.

## **Maine**

Maine’s system was fully implemented in 2008, with a two year implementation/ conversion process, and was not done in phases. The system is called CGI’s Advantage and it provides all the basic trial balances that are used for financial reporting. The system also has a fixed assets module that is used for tracking assets.

**Advantages** – *The adjustments necessary to convert our budgetary financial information into GAAP compliant financial statements are well documented. With the use of CAFR Unlimited, it is easy to trace information from our State's accounting system into our State's CAFR. Our auditors are able to conduct the audit as we are preparing the CAFR. This enables the State to submit an audited CAFR by December 31st.*

**Disadvantages** – *The CAFR Unlimited database does not have adequate controls to prevent, restrict or track changes to how accounts roll up into the CAFR or to the actual GAAP adjustment. Also, the database is quirky and the report function is difficult to use. We tend to have to do minor changes to the various financial reports (visual changes, not changes to the actual report totals) manually in Excel.*

## New Hampshire

New Hampshire's system was implemented on July 1, 2009, after approximately a two year process and was done in phases. The system is called Lawson Financials and is an Oracle database. It includes a general ledger, accounts receivable, accounts payable, cash book activities, grants, human resources, and property. The grants, human resources and property aspects are not yet fully functional or not yet implemented.

**Advantages** – *When extracts for CAFR done, process will be better controlled, easier - available for interim application.*

**Disadvantages** – No disadvantages noted.

## New Mexico

New Mexico's system was fully implemented on July 1, 2006. The initiative was launched three years prior, on July 1, 2003 and the project was launched on April 1, 2005. New Mexico did not implement its system in phases, but officials did say that in hindsight, they should probably have done a phased rollout of some nature and minimized the business disruption.

The system is referred to as the Statewide Human Resources, Accounting, and Management Reporting System (SHARE). The system consists of two of the PeopleSoft Enterprise Resource Planning (ERP) suites: Financial and Supply Chain Management (FSCM) release 8.8 and the Human Capital Management (HCM) release 8.9. These include the general ledger, payroll, human resources, benefits administration, payables, purchasing, time and labor, and more.

**Advantages** – *The 2008 CAFR was the first CAFR in state history to be issued within 7 months of fiscal year end. Prior to the 2008 CAFR, the completion of the CAFR averaged 18 months.*

**Disadvantages** – *The process is labor intensive. The State does not have any consequences for not complying with deadlines. There is extensive data manipulation in preparing the trial balances, too many opportunities for errors. The agency audits are due to the Office of the State Auditor no later than December 15, the CAFR is due to the GFOA [Government Finance Officers Association] by December 31, which hinders the CAFR Unit's ability to complete the CAFR by December 31. The CAFR is not audited on a statewide basis (Legislature would need to change State Statutes and Administrative Code).*

## Ohio

Ohio's system was fully implemented in July 2008. It was phased in with six different modules over several months, the first being December 2006. The system is referred to as the Ohio Administrative Knowledge System (OAKS). It is an Enterprise Resource Planning (ERP) system that supports administrative functions, such as finance and human resources, across the entire state. All State agencies are required to utilize the system. For reporting purposes, the

financial reporting team will utilize the cash basis numbers at year end as a starting point, and upload manual journal entries to convert the yearend financial information to GAAP basis. The system then has the ability to create GAAP financial reports after the conversion process is complete.

**Advantages** – *By consolidating all agencies into one ERP system, compiling information has become more centralized and allowed us to obtain State-wide information much quicker than before.*

**Disadvantages** – *Notes to the Financial Statements are still done manually due to the depth and variety of information, while it would be nice to eventually utilize the system to create these, it will most likely never be cost effective to do so.*

### **Rhode Island**

Rhode Island implemented its system on July 1, 2006. The principal phases took one year for the implementation/conversion process. The Oracle general ledger module has a number of query features that allow the user to drill down to source documents. In addition the product has many standard reports that can be run. Rhode Island has used the products financial statement generator capacity to create a number of custom reports.

**Advantages** – *Integrated software which includes purchasing, payables and fixed assets. Software generates financial statements but they must be enhanced via Excel before finalization.*

**Disadvantages** – *Financial statements (entity wide) must go thru another process via Excel before they are final.*

### **Tennessee**

Tennessee’s system is still in the implementation phase. Payroll was implemented on October 1, 2008. Tennessee purchased PeopleSoft Human Capital Management (HCM) and Financial and Supply Chain Management (FSCM) modules. This includes asset management, accounts payable, accounts receivable, budget control, billing, cost allocation, cash management, contracts, cashiering, fleet management, general ledger, grants, inventory, plant management, projects, catalog management, procurement, requisitions, strategic sourcing and travel. Tennessee began implementing state agencies to FSCM on January 1, 2009, and continued in waves through October 1, 2009. There are still a couple of funds that need to be implemented. Tennessee has had severe implementation problems which are discussed in more detail in Chapter Four.

**Advantages** – *Since we are reporting from 2 systems now, there are no advantages.*

**Disadvantages** – *Same response as Advantages above.*

### Implementation/Conversion and Ongoing Costs

The cost of implementing a new financial reporting system ranged from \$7.2 million in Rhode Island to \$158 million in Ohio. Of the eight states that reported implementation in the last five years, Ohio reported spending the most, with a total of \$158 million. Of the eight, Ohio was the only one that reported a vendor developed system. Georgia, Kansas, Maine, New Hampshire, New Mexico and Tennessee all reported their systems were purchased off the shelf. Rhode Island reported “other” and explained that it was an Oracle suite of software modules, purchased off the shelf, but then tailored to meet the state’s needs. Funding sources mainly included general revenue funds. Some states also used Certificates of Participation. Exhibit 3-4 shows a breakdown of the implementation and conversion costs for the eight states with newer centralized systems.

Exhibit 3-4 IMPLEMENTATION AND CONVERSION COSTS FOR NEWER CENTRALIZED SYSTEMS amounts expressed in thousands							
Cost Category	Kansas	Maine	New Hampshire	New Mexico	Ohio	Rhode Island	Tennessee
Design/Planning		\$1,500		\$1,500			
Hardware	\$4,800	\$1,000		\$1,400			
Software Licenses		\$1,500		\$2,265			\$15,000
Implementation	\$34,300	\$15,000		\$20,350			\$73,800
Conversion		\$500					
Training		\$500		\$645			
Other	\$5,400	\$1,100		\$7,660			
<b>Total</b>	<b>\$44,500</b>	<b>\$21,100</b>	<b>\$22,000</b>	<b>\$33,820</b>	<b>\$158,000</b>	<b>\$7,200</b>	<b>\$88,800</b>
Note: Georgia implemented a system that cost only \$485,000 but it was not comparable to the other systems because it was a consolidation and reporting system that feeds data from an underlying system. Source: OAG analysis of state survey responses.							

In addition, ongoing costs are a part of maintaining a centralized financial reporting system. We asked the states how much is spent in software maintenance, application management, enhancements and other costs. Total ongoing costs ranged from Rhode Island spending the least, with \$1.65 million annually to Tennessee spending the most at \$17 million annually. Only five of the states were able to report on this information. Georgia spends \$40,000 annually for its consolidation and reporting system. Exhibit 3-5 provides a breakdown of the ongoing costs and totals by state.

Exhibit 3-5 <b>ONGOING COSTS FOR CENTRALIZED SYSTEMS</b> amounts expressed in thousands				
<b>Cost Category</b>	<b>Maine</b>	<b>New Mexico</b>	<b>Rhode Island</b>	<b>Tennessee</b>
Software Maintenance	\$650	\$420	\$900	\$1,500
Application Management	\$3,700	\$3,000	\$750	\$15,500
Enhancements	\$1,500	\$4,000		
Other		\$100		
<b>Total</b>	<b>\$5,850</b>	<b>\$7,520</b>	<b>\$1,650</b>	<b>\$17,000</b>

Note: Georgia spends \$40,000 annually for its consolidation and reporting system. Kansas, New Hampshire, and Ohio did not provide ongoing cost information.  
Source: OAG analysis of state survey responses.

### Other Centralized Financial Reporting Systems

As noted in Exhibit 3-1, most of the states in our survey reported having centralized systems. These were mixed between centralized systems that required a GAAP conversion process (21 of 34) and centralized systems that generate GAAP compliant financial information (8 of 34). The eight states that reported having recently implemented new financial reporting systems are mixed into these two categories.

For the states with older centralized systems, there was a mix of vendor developed systems, systems purchased off-the-shelf, and systems classified as “other.” The states that responded with “other” included primarily modifying vendor developed systems or systems purchased off the shelf. Only one state, Florida, reported developing its system in house.

The oldest centralized system reported was in New York, with a portion being implemented in 1982. Florida followed this in 1983 and continuously updates its system. In total, five states implemented centralized systems in the 1980’s. Eight states did so in the 1990’s and four implemented centralized systems between 2000 and 2004. Most of these states reported continuously updating their systems, or have done so since 2000.

Some advantages and disadvantages as reported by states with older centralized systems are below:

#### Colorado

**Advantages** – *Processes are efficient, stable, and reliable. Controls are well integrated. Mainframe source for CAFR is very secure and predictable. High level of automation allows us to post an audit adjustment very near the end of the audit cycle with confidence that the entry will be reflected throughout the CAFR. Preparers take a lot of pride in a very efficient and effective process built in house.*

**Disadvantages** – *We are losing expertise at the Legacy mainframe system level, i.e. COBOL programmers. System is complex and it can take years to transfer the seed knowledge to new staff. One person has to “know it all” in order to keep the system functioning. This makes it difficult to dispense some tasks. The process pushes Microsoft*

*tools to their limits and we have experienced file corruption that can't be explained. We have developed work arounds for this problem.*

### **Florida**

**Advantages** – *These processes utilize Microsoft programs which are fairly universal and simplify training efforts for new employees.*

**Disadvantages** – *There is not one comprehensive system that houses all the information needed. Therefore, efforts have to be spent on gathering information from different sources for compilation.*

### **Michigan**

**Advantages** – *It facilitates the preparation of the CAFR in an efficient, timely manner.*

**Disadvantages** – *Interim, mid-year financial reporting is difficult and, in some cases, impossible.*

### **Montana**

**Advantages** – *Our new process will allow us to prepare our Excel financial statements directly from the system and allow us to maintain the related structure directly on the accounting system. Future financial statement preparation should be more efficient.*

**Disadvantages** – *Although we have a central system, we have a decentralized accounting structure. Only the accounting policy, CAFR preparation, help desk, and central accounting system upgrades and maintenance are centralized. Actual agency accounting is decentralized.*

### **Oregon**

**Advantages** – *SEFA process is mostly automated.*

**Disadvantages** – *The entire process is very sensitive to any unexpected problems encountered by the constitutional auditors. When issues arise that take a long time to resolve, it can mean delays in publishing the CAFR.*

### **Washington**

**Advantages** – *High data integrity in an extremely reliable system that we own. Being that the system is table driven, it has been able to accommodate the many GASB reporting changes that have come our way. In addition, agencies can interface entries through use of our Toolbox or via batch interface.*

**Disadvantages** – *Our current system does not have workflow capabilities and requires manual entry during one process, like procurement, or payables. Since our system has*

*old code, we face the risk of being unable to find programmers to make necessary changes in the future.*

### **Decentralized Financial Reporting Systems**

Only 3 of the 34 states responding have decentralized systems. These include Illinois, Texas, and California. Currently, California is in the beginning stages of developing an integrated financial management system. Advantages and Disadvantages, as reported by these states are below.

#### **Illinois**

**Advantages** – *All activity and reporting is coordinated through the Illinois Office of the Comptroller (IOC).*

**Disadvantages** – *Agencies are not accountable to the IOC directly. In many instances the IOC needs to work with the Governor’s Office of Management and Budget (GOMB) in order for deadlines to be met by the agencies.*

#### **California**

**Advantages** – *CAFR: There don’t seem to be any advantages. SEFA: The State Comptroller can provide an automated schedule of federal receipts.*

**Disadvantages** – *CAFR: Lack of a statewide system; duplicate input of transactions in multiple systems; manual processes, including external spreadsheets and databases to accumulate and manipulate financial information not within the current legacy systems; inability to drill down GAAP basis amounts to department level detail; and many more. SEFA: Lack of a statewide system. Manual processing is necessary to produce the SEFA.*

#### **Texas**

**Advantages** – *The feeling that agencies will care more about their financial data if they produce an AFR (Annual Financial Report).*

**Disadvantages** – *There is a lack of uniformity of data submitted via the hard copy notes. Agency sub-level reporting requires more time and another layer of reconciliation and elimination.*

#### **California’s FI\$Cal Project**

California is currently in stage one of a two stage procurement of a business transformation project for state government in the areas of budgeting, accounting, and procurement. The Financial Information System for California (FI\$Cal Project) involves a partnership with California’s Department of Finance, the State Treasurer, the State Controller, and the Department of General Services to develop and maintain an integrated financial management system. The FI\$Cal Project is estimated to cost \$1.6 billion over a 12-year time frame.



The FI\$Cal Project selected three vendors as the stage one contractors. From July 2010 through January 2011, these vendors will attend structured informational sessions conducted by the FI\$Cal project team. The sessions should result in stage two proposals from the three vendors. At the end of 2011, California plans to award a single contract to one of the three vendors to implement the Enterprise Resource Planning solution.

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## **REPORTING DEADLINES**

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We compared Illinois' timeliness in releasing the CAFR and Statewide Single Audit with other states. Our survey also asked the states if there were any consequences to agencies not complying with reporting deadlines.

### **Comprehensive Annual Financial Report (CAFR)**

Exhibit 3-6 compares Illinois' timeliness in releasing the CAFR with the other 49 states and the District of Columbia. In the last five years, Illinois has ranked 49<sup>th</sup>, 41<sup>st</sup>, 49<sup>th</sup>, 50<sup>th</sup>, and 49<sup>th</sup> in releasing its CAFR. The exhibit compares release dates to the six month deadline recommended by the Government Finance Officers Association (GFOA).

Having a centralized financial reporting system does not always correlate into having CAFRs released by the six month deadline. For fiscal year 2009, Georgia, Kansas and Maine met the six month deadline; however, the other five states with centralized systems exceeded the deadline. Days over the six month deadline ranged from 22 days for New Hampshire to 218 days for Tennessee. However, Tennessee is still in the implementation stage and was 19 days under the deadline for fiscal year 2008. New Mexico drastically reduced its number of days exceeding the deadline after implementing a centralized system. It went from 547 days over in fiscal year 2006 to 214 days over in fiscal year 2007 and 31 days over in fiscal year 2008 before increasing to 78 days over in fiscal year 2009.

**Exhibit 3-6**  
**CAFR RELEASE DATES COMPARED TO SIX MONTH GFOA REQUIREMENT**  
 Fiscal Year 2005 – Fiscal Year 2009

State	FY05 Release Date	Days Over (Under)	FY06 Release Date	Days Over (Under)	FY07 Release Date	Days Over (Under)	FY08 Release Date	Days Over (Under)	FY09 Release Date	Days Over (Under)
Alabama	03/31/06	0	03/31/07	0	03/31/08	0	03/31/09	0	03/31/10	0
Alaska	12/15/05	(16)	12/15/06	(16)	12/15/07	(16)	12/15/08	(16)	12/15/09	(16)
Arizona	03/31/06	90	05/25/07	145	06/16/08	168	05/26/09	146	05/07/10	127
Arkansas	12/22/05	(9)	12/22/06	(9)	12/21/07	(10)	12/23/08	(8)	12/23/09	(8)
California	04/21/06	111	03/28/07	87	03/28/08	88	03/24/09	83	03/10/10	69
Colorado	12/29/05	(2)	12/08/06	(23)	12/21/07	(10)	12/19/08	(12)	12/18/09	(13)
Connecticut	09/27/06	270	04/25/07	115	02/28/08	59	02/28/09	59	02/28/10	59
Delaware	01/04/06	4	02/12/07	43	12/21/07	(10)	02/18/09	49	12/30/09	(1)
Dist. of Columbia	01/23/06	(67)	01/26/07	(64)	03/31/08	0	01/30/09	(60)	01/28/10	(62)
Florida	02/08/06	39	01/31/07	31	02/25/08	56	02/26/09	57	02/25/10	56
Georgia	12/23/05	(8)	01/12/07	12	01/31/08	31	01/16/09	16	12/31/09	0
Hawaii	01/30/06	30	03/15/07	74	05/07/08	128	05/22/09	142	10/20/10	293
Idaho	12/29/05	(2)	12/08/06	(23)	12/07/07	(24)	12/23/08	(8)	12/16/09	(15)
<b>Illinois</b>	<b>06/16/06</b>	<b>167</b>	<b>02/22/07</b>	<b>53</b>	<b>06/25/08</b>	<b>177</b>	<b>07/10/09</b>	<b>191</b>	<b>06/30/10</b>	<b>181</b>
Indiana	12/28/05	(3)	12/28/06	(3)	12/31/07	0	12/30/08	(1)	12/30/09	(1)
Iowa	12/19/05	(12)	12/20/06	(11)	12/14/07	(17)	12/10/08	(21)	12/18/09	(13)
Kansas	12/30/05	(1)	12/30/06	(1)	12/31/07	0	12/31/08	0	12/31/09	0
Kentucky	12/22/05	(9)	12/19/06	(12)	12/18/07	(13)	12/19/08	(12)	12/21/09	(10)
Louisiana	03/29/06	88	12/31/06	0	01/03/08	3	12/31/08	0	12/31/09	0
Maine	12/31/05	0	03/07/07	66	12/19/07	(12)	02/19/09	50	12/23/09	(8)
Maryland	12/05/05	(26)	11/30/06	(31)	12/10/07	(21)	12/12/08	(19)	12/11/09	(20)
Massachusetts	12/22/05	(9)	12/22/06	(9)	12/24/07	(7)	12/23/08	(8)	12/23/09	(8)
Michigan	12/28/05	(93)	03/30/07	(1)	12/28/07	(94)	12/31/08	(90)	02/27/10	(32)
Minnesota	11/18/05	(43)	12/14/06	(17)	12/07/07	(24)	12/09/08	(22)	12/11/09	(20)
Mississippi	12/20/05	(11)	01/19/07	19	02/29/08	60	12/19/08	(12)	12/18/09	(13)
Missouri	01/20/06	20	01/31/07	31	02/28/08	59	01/09/09	9	12/31/09	0
Montana	12/16/05	(15)	12/21/06	(10)	12/28/07	(3)	12/12/08	(19)	12/22/09	(9)
Nebraska	12/22/05	(9)	12/22/06	(9)	12/28/07	(3)	12/24/08	(7)	12/29/09	(2)
Nevada	12/16/05	(15)	12/15/06	(16)	12/14/07	(17)	12/15/08	(16)	01/27/10	27
New Hampshire	03/21/06	80	03/23/07	82	12/14/07	(17)	12/19/08	(12)	01/22/10	22
New Jersey	12/30/05	(1)	01/26/07	26	02/29/08	60	04/30/09	120	03/05/10	64
New Mexico	07/01/07	547	06/30/08	547	08/01/08	214	01/31/09	31	03/19/10	78
New York	07/19/05	(73)	07/21/06	(71)	07/23/07	(69)	07/25/08	(67)	09/01/09	(29)
North Carolina	12/08/05	(23)	12/11/06	(20)	12/07/07	(24)	12/08/08	(23)	12/08/09	(23)
North Dakota	01/26/06	26	12/12/06	(19)	12/12/07	(19)	12/18/08	(13)	12/17/09	(14)
Ohio	05/12/06	132	03/23/07	82	04/28/08	119	10/05/09	278	04/30/10	120
Oklahoma	02/27/06	58	12/28/06	(3)	01/29/08	29	12/30/08	(1)	12/31/09	0
Oregon	12/31/05	0	12/29/06	(2)	12/21/07	(10)	01/23/09	23	12/30/09	(1)
Pennsylvania	12/23/05	(8)	12/22/06	(9)	12/20/07	(11)	12/29/08	(2)	01/22/10	22
Rhode Island	02/17/06	48	12/29/06	(2)	04/08/08	99	04/09/09	99	04/06/10	96
South Carolina	11/30/05	(31)	11/21/06	(40)	11/15/07	(46)	11/12/08	(49)	12/04/09	(27)
South Dakota	02/17/06	48	04/23/07	113	07/03/08	185	06/12/09	163	03/31/10	90
Tennessee	12/20/05	(11)	12/21/06	(10)	12/07/07	(24)	12/12/08	(19)	08/06/10	218
Texas	02/28/06	0	02/28/07	0	02/29/08	0	02/27/09	(1)	02/26/10	(2)
Utah	11/14/05	(47)	11/13/06	(48)	11/20/07	(41)	12/04/08	(27)	11/23/09	(38)
Vermont	12/29/05	(2)	12/31/06	0	01/31/08	31	12/23/08	(8)	12/17/09	(14)
Virginia	12/14/05	(17)	12/14/06	(17)	12/14/07	(17)	12/12/08	(19)	12/14/09	(17)
Washington	12/21/05	(10)	12/18/06	(13)	12/14/07	(17)	12/17/08	(14)	12/23/09	(8)
West Virginia	02/20/06	51	03/05/07	64	03/31/08	91	03/30/09	89	02/26/10	57
Wisconsin	12/14/05	(17)	12/15/06	(16)	12/14/07	(17)	12/11/08	(20)	12/11/09	(20)
Wyoming	12/15/05	(16)	12/22/06	(9)	01/31/08	31	12/31/08	0	01/26/10	26
<b>On Time Filers</b>		<b>34</b>		<b>34</b>		<b>32</b>		<b>34</b>		<b>34</b>
<b>Illinois' Rank</b>		<b>49</b>		<b>41</b>		<b>49</b>		<b>50</b>		<b>49</b>
<b>Respondents</b>		<b>51</b>		<b>51</b>		<b>51</b>		<b>51</b>		<b>51</b>

Note: All states use June 30 for fiscal year-end with the following exceptions: Alabama, Michigan and the District of Columbia use September 30; New York uses March 31; Texas uses August 31.

Source: OAG analysis of State CAFR's.

### Statewide Single Audit

Illinois ranked second to last in releasing its most recent Statewide Single Audit, releasing it 119 days past the nine month single audit deadline. We compared Illinois' timeliness in releasing the Statewide Single Audit with the other 49 states and the District of Columbia. Exhibit 3-7 shows where Illinois ranks for the last five fiscal years. Over the last five years, Illinois has ranked 40<sup>th</sup> (of 45), 43<sup>rd</sup> (of 45), 40<sup>th</sup> (of 46), 43<sup>rd</sup> (of 47), and 46<sup>th</sup> (of 47).

Eleven of the 34 responding states reported having an automated centralized grant reporting system. Nine of those 11 use the grant reporting system to prepare the SEFA. For the majority of these states using a centralized grant reporting system, they are able to release the Statewide Single Audit on time, if not early. One of the nine, New Mexico, does not issue a Statewide Single Audit. For the remaining eight states, in fiscal year 2009, five released their single audits on time or earlier than the nine month deadline. Kansas released its 21 days afterwards and New Jersey's was released 85 days after the deadline. Tennessee's was last to release at 148 days late. However, its system is still in the implementation stages and for fiscal year 2008, the audit was released only three days past the deadline.

Our survey asked where the agency responsible for preparing the statewide single audit is organizationally located. Twenty of the respondents (59%) are under the Governor, eight (24%) are under a separately elected official, and six (18%) consider themselves to be "other."

States with newer centralized financial reporting systems first gather individual agency information needed for the SEFA. In the state of Georgia, agencies enter their information into a portal. Kansas has its state agencies complete an Excel spreadsheet which is then uploaded to Access and consolidated into one document. However, in 2011, Kansas anticipates the data will be obtained from its Grants Module. State agencies in Maine fill out an exhibit and related spreadsheets provided by the State Controller. New Hampshire uses a web based database application to compile its state agency data. Rhode Island uses Oracle financial statement generator and then downloads to Excel. Tennessee has its state agencies complete pre-formatted Excel spreadsheets.

**Exhibit 3-7**  
**SINGLE AUDIT RELEASE DATES COMPARED TO NINE MONTH DEADLINE**  
 Fiscal Year 2005 – Fiscal Year 2009

State	FY05 Release Date	Days Over (Under)	FY06 Release Date	Days Over (Under)	FY07 Release Date	Days Over (Under)	FY08 Release Date	Days Over (Under)	FY09 Release Date	Days Over (Under)
Alabama	07/28/06	28	08/17/07	48	07/11/08	11	07/17/09	17	07/30/10	30
Alaska	09/28/06	181	04/30/07	30	02/20/08	(40)	02/27/09	(32)	02/25/10	(34)
Arizona	04/27/06	27	06/18/07	79	07/18/08	109	06/26/09	87	06/04/10	65
Arkansas	02/01/06	(58)	02/15/07	(44)	01/15/08	(76)	02/20/09	(39)	02/16/10	(43)
California	05/31/06	61	05/25/07	55	06/30/08	91	06/12/09	73	03/30/10	(1)
Colorado	04/11/06	11	03/20/07	(11)	02/07/08	(53)	02/17/09	(42)	02/16/10	(43)
Connecticut	09/27/06	180	04/27/07	27	03/25/08	(6)	03/26/09	(5)	03/25/10	(6)
Delaware	03/17/06	(14)	03/01/07	(30)	02/29/08	(31)	03/13/09	(18)	03/22/10	(9)
Dist. of Columbia	08/18/06	49	08/03/07	34	10/03/08	95	12/14/09	167	06/18/10	(12)
Florida	03/27/06	(4)	03/20/07	(11)	03/24/08	(7)	03/05/09	(26)	03/26/10	(5)
Georgia	03/31/06	0	03/30/07	(1)	03/19/08	(12)	03/13/09	(18)	03/05/10	(26)
Hawaii	Hawaii issues departmental Single Audits rather than a Statewide Single Audit Report.									
Idaho	04/19/06	19	04/30/07	30	06/30/08	91	06/30/09	91	04/09/10	9
<b>Illinois</b>	<b>08/24/06</b>	<b>146</b>	<b>07/26/07</b>	<b>117</b>	<b>06/30/08</b>	<b>91</b>	<b>08/11/09</b>	<b>133</b>	<b>07/28/10</b>	<b>119</b>
Indiana	05/31/06	61	03/30/07	(1)	03/31/08	0	06/24/09	85	03/31/10	0
Iowa	03/31/06	0	04/03/07	3	03/31/08	0	03/27/09	(4)	03/31/10	0
Kansas	05/01/06	31	12/30/06	(91)	04/28/08	28	04/22/09	22	04/21/10	21
Kentucky	03/29/06	(2)	03/28/07	(3)	02/21/08	(39)	02/18/09	(41)	02/08/10	(51)
Louisiana	10/18/06	201	07/20/07	111	06/30/08	91	03/31/09	0	03/31/10	0
Maine	05/19/06	49	09/11/07	164	07/22/08	113	08/28/09	150	03/31/10	0
Maryland	12/05/05	(116)	11/30/06	(121)	12/10/07	(112)	12/12/08	(109)	03/15/10	(16)
Massachusetts	12/22/05	(99)	12/22/06	(99)	03/19/08	(12)	03/16/09	(15)	03/29/10	(2)
Michigan	Michigan issues departmental Single Audits rather than a Statewide Single Audit Report.									
Minnesota	02/15/06	(44)	02/15/07	(44)	02/15/08	(45)	02/17/09	(42)	02/16/10	(43)
Mississippi	05/31/06	61	06/26/07	87	03/27/08	(4)	03/30/09	(1)	03/30/10	(1)
Missouri	03/15/06	(16)	03/15/07	(16)	03/15/08	(16)	03/31/09	0	03/31/10	0
Montana	12/15/05	(106)	N/A		01/31/08	(60)	N/A		02/15/10	(44)
Nebraska	03/08/06	(23)	03/07/07	(24)	02/29/08	(31)	02/17/09	(42)	03/24/10	(7)
Nevada	N/A		02/16/07	(43)	04/14/08	14	04/13/09	13	01/26/10	(64)
New Hampshire	03/21/06	(10)	03/23/07	(8)	03/14/08	(17)	03/09/09	(22)	03/23/10	(8)
New Jersey	12/15/06	259	07/15/07	106	07/15/08	106	08/15/09	137	06/24/10	85
New Mexico	New Mexico issues departmental Single Audits rather than a Statewide Single Audit Report.									
New York	10/31/05	(61)	11/30/06	(31)	11/02/07	(59)	11/21/08	(40)	11/25/09	(36)
North Carolina	04/12/06	12	04/13/07	13	04/08/08	8	04/20/09	20	04/08/10	8
North Dakota	N/A		N/A		N/A		03/30/09	(1)	N/A	
Ohio	08/24/06	146	07/26/07	117	06/12/08	73	10/13/09	196	06/29/10	90
Oklahoma	03/30/06	(1)	03/29/07	(2)	03/26/08	(5)	03/31/09	0	03/31/10	0
Oregon	02/28/06	(31)	02/28/07	(31)	02/29/08	(31)	03/31/09	0	03/19/10	(12)
Pennsylvania	06/30/06	91	06/29/07	90	06/27/08	88	06/29/09	90	06/30/10	91
Rhode Island	03/17/06	(14)	03/12/07	(19)	05/23/08	53	06/02/09	63	05/07/10	37
South Carolina	03/22/06	(9)	03/09/07	(22)	03/07/08	(24)	03/05/09	(26)	04/05/10	5
South Dakota	02/17/06	(42)	04/23/07	23	07/03/08	94	06/12/09	73	05/14/10	44
Tennessee	04/11/06	11	04/03/07	3	04/09/08	9	04/03/09	3	08/26/10	148
Texas	03/15/06	(77)	03/15/07	(77)	03/15/08	(77)	03/15/09	(77)	03/15/10	(77)
Utah	03/24/06	(7)	03/31/07	0	01/25/08	(66)	02/18/09	(41)	02/17/10	(42)
Vermont	12/29/05	(92)	03/30/07	(1)	03/28/08	(3)	03/20/09	(11)	03/24/10	(7)
Virginia	03/17/06	(14)	03/16/07	(15)	03/10/08	(21)	01/28/09	(62)	02/02/10	(57)
Washington	07/15/06	106	03/15/07	(16)	03/15/08	(16)	05/15/09	45	03/15/10	(16)
West Virginia	03/03/06	(28)	03/23/07	(8)	03/28/08	(3)	03/30/09	(1)	03/31/10	0
Wisconsin	03/31/06	0	03/30/07	(1)	03/31/08	0	03/31/09	0	03/31/10	0
Wyoming	N/A		N/A		N/A		03/31/09	0	03/30/10	(1)
<b>On Time Filers</b>		<b>25</b>		<b>27</b>		<b>29</b>		<b>29</b>		<b>34</b>
<b>Illinois' Rank</b>		<b>40</b>		<b>43</b>		<b>40</b>		<b>43</b>		<b>46</b>
<b>Respondents</b>		<b>45</b>		<b>45</b>		<b>46</b>		<b>47</b>		<b>47</b>

Note: All states use June 30 for fiscal year-end with the following exceptions: Alabama, Michigan and the District of Columbia use September 30; New York uses March 31; Texas uses August 31.

Source: OAG analysis of states' single audit reports.

### Consequences for Agencies Not Complying with Reporting Deadlines

We asked states if there were any consequences to an agency for not complying with reporting deadlines. Of the states responding, 14 responded yes, 19 responded no and 1 state responded that there are consequences for CAFR late reporting but not for SEFA. According to the Office of the Comptroller, Illinois’ consequence for late reporting includes only sending letters to nonresponsive agencies and also to our office, for further audit consideration.

More stringent consequences for agencies not complying with reporting deadlines include the following as reported from the various states:

- **California** – *There is a government code section that allows the SCO [State Controller’s Office] to withhold any or all operating funds from a department that does not submit its financial reports within 20 days of the deadlines.*
- **Florida** – *Statutes authorize the Chief Financial Officer to refuse to honor salary claims for agency or branch fiscal and executive staff for noncompliance and until the agency or branch corrects its deficiency.*
- **Mississippi** – *Statutes allow for the State Fiscal Officer to complete report needed from the agency, making the expense of the report completion personally borne by the agency official failing to complete the report.*
- **North Carolina** – *Allotments to agency may be withheld by the Director of Budget.*
- **Texas** – *The Comptroller has the authority to withhold expense reimbursements for employees of agencies who do not comply with reporting requirements.*
- **Virginia** – *A noncompliant agency may be cited in a quarterly management report provided to the Governor and his Cabinet.*

Four of these six states with stringent consequences for late reporting released their CAFRs prior to the six month requirement. All released their CAFRs prior to Illinois. Exhibit 3-8 shows the days over or under the six month requirement for these states during fiscal years 2008 and 2009 in comparison to Illinois.

Some of the less stringent consequences included audit findings, notifying high level management, not giving an award to late agencies, and having high level conversations about the lack of progress.

Exhibit 3-8 CAFRelease Date Comparison – States with Stringent Reporting Consequences vs. Illinois Days Over (Under) Six Month Requirement			
State	System	CAFR 2008	CAFR 2009
California	Decentralized	83	69
Florida	Centralized	57	56
Mississippi	Centralized	(12)	(13)
North Carolina	Centralized	(23)	(23)
Texas	Decentralized	(1)	(2)
Virginia	Hybrid	(19)	(17)
<b>Illinois</b>	<b>Decentralized</b>	<b>191</b>	<b>181</b>
Source: OAG analysis of state surveys and CAFRs.			



# **IMPLEMENTATION ISSUES**

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## **CHAPTER CONCLUSIONS**

When conducting a system implementation project, there are practices to avoid and others to embrace that can increase the likelihood of a successful implementation. In reviewing system failures and literature espousing best practices, a few basic themes appear to come to the forefront:

- **Project Management** – Project management is the discipline of planning, organizing, securing and managing resources to bring about the successful completion of project goals and objectives.
- **End User Participation** – When end users are actively included in the development process, including the development of system specifications, design of functional requirements, and user acceptance testing, such involvement is likely to result in increased user satisfaction and the perceived usefulness of the system.
- **Constant communication** – Communication must flow freely and constantly between management, developers, end users, project management, and independent reviewers.

There are many different reasons why system implementations fail; however, the following list outlines some of the most common problems.

- Lack of top management commitment;
- Inadequate project management process;
- Inadequate scope management;
- A lack of experience defining the functional requirements;
- Lack of communication;
- Poor or no quality assurance process; and
- Inadequate training and education.

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## INTRODUCTION

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The State of Illinois, like most major organizations, invests considerable resources to develop and implement information systems. Unfortunately, information system implementation efforts are often marked by cost overruns, operational delays, and general dissatisfaction. The design and implementation of new computer systems present challenges that cannot be completely predicted or controlled. Although delays, cost overruns, and difficulties with system implementations are common, in both the public and private sector, our research indicates there are some methods to avoid and others to embrace that can increase the likelihood of a successful implementation.

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## PRACTICES TO EMBRACE IN SYSTEM IMPLEMENTATION PROJECTS

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The following section highlights effective system implementation practices identified in a study developed by the National Association of State Chief Information Officers (NASCIO) and research conducted by our Office.

### NASCIO Study

In an effort to help address system implementation problems, NASCIO surveyed states and published a report named *DISCIPLINE SUCCEEDS: Findings from the NASCIO State IT Project Management Assessment*.

The report was released in 2005 and found governments spend billions of dollars a year on Information Technology (IT) projects and too often these projects fail to meet the expectations and requirements. In fact, the report stated IT projects had success rates at less than 66%.

Several core themes emerged from the NASCIO report and survey that may be beneficial to the implementation of state IT initiatives. Some themes outlined in the report include:

**There is value in adopting an enterprise approach toward IT investments.** In a time when all states are challenged to provide improved services with fewer resources, adopting an enterprise project management approach supports key business goals to leverage economies of scale, eliminate duplication of efforts, and foster the use of common applications that can be used across multiple agencies.

**Given the complexity of implementing IT projects both within and across state agencies, clarifying the governance structure during the initiation phase of the project is essential.** State IT projects must meet the challenge of balancing an enterprise perspective with the core business needs of individual agencies.

**Organizational change management must be viewed as an integral component of project management.** A new IT system cannot be successful unless it is embraced by the end users. Organizational change management



focuses upon organizational readiness and adopts a structured approach to prepare end users gradually for the cultural change that accompanies the implementation of new technology.

### **OAG Research**

We realize there is no perfect method to ensure that system implementation projects, in particular, extremely complex, lengthy, and costly projects, are successfully completed. However, in reviewing system failures and literature espousing best practices, a few basic themes appear to come to the forefront.

### **Project Management**

Project management is the discipline of planning, organizing, securing and managing resources to bring about the successful completion of project goals and objectives. The primary challenge of project management is to achieve all of the project goals and objectives while addressing project constraints such as scope, time, and budget.

The project management lifecycle generally includes the following phases:

- Planning – would include working with stakeholders to define the functional requirements of the system.
- Executing – would include managing the vendor selection process.
- Monitoring and controlling – may be the most important project management process. Monitoring and controlling would include the routine review of development activities in relation to scope, requirements, and deadlines. A proactive monitoring approach helps identify issues before they become major problems.
- Closing – would include post-implementation and quality assurance reviews to ensure the system met the contract and end-user requirements.

Effective project management helps bridge the gap between the client and the developers. An effective approach would ensure the developer has a detailed understanding of client business processes and needs, and the client has an understanding of the development process. As the project progresses, project management would help resolve the inevitable conflicts between client expectations and the developers' understanding of agreed-upon functional requirements.

### **End User Participation**

It is generally acknowledged that user participation in the system implementation process increases the likelihood of project success. Put another way, lack of communication between users and developers has been cited as a common reason for failures in systems implementations.

When end users are actively included in the development process, including the development of system specifications, design of functional requirements, and user acceptance testing, such involvement is likely to result in increased user satisfaction and the perceived usefulness of the system.

## Constant Communication

Constant communication is a key factor in successful system implementations. Communication must flow freely and constantly between management, developers, end users, project management, and independent reviewers. All of these parties play a critical role in the process and should be actively involved in each development phase. The earlier that issues are identified and addressed, the greater the likelihood of project success. The notion that active participation is too time consuming and negatively impacts current operations is a short term approach that will likely lead to long range problems. The efforts to promote active participation and communication will advance the achievement of project goals and objectives.

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## PRACTICES TO AVOID IN SYSTEM IMPLEMENTATION PROJECTS

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There are many different reasons why system implementations fail; however, the following list outlines some of the most common problems.

- **Lack of Top Management Commitment.** The propensity of top management to delegate the oversight of system development projects often results in a lack of understanding of the size, scope, and technical aspects of projects, and subsequently, the lack of proper commitment of time and resources required for a successful implementation.
- **Inadequate Project Management Process.** Projects are driven by hard completion dates, lack detailed and sufficient project plans, and lack effective monitoring and controlling to promote efficient and effective achievement of goals and objectives.
- **Inadequate Scope Management.** Instead of trying to phase in projects, attempts are made to accomplish every possible objective in the initial development, which often leads to overall project failure.
- **A lack of experience defining the functional requirements.** The inadequate definition of functional requirements promotes implementation failures.
- **Lack of Communication.** The failure to effectively communicate with stakeholders, developers, and end users often triggers a resistance to change and ultimately promotes implementation failures.
- **Poor or no Quality Assurance process.** Often there is no independent review of adherence to development and testing requirements and timelines throughout the development and implementation process.
- **Inadequate Training and Education.** Another of the biggest causes of implementation failure is inadequate education and training, which are almost always underestimated. Training is crucial as most employees must learn new software interfaces and business processes which affect the operation of the entire enterprise.

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## EXAMPLES OF SYSTEM IMPLEMENTATION DIFFICULTIES

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The following section highlights problems with major financial system implementations in both Illinois and Tennessee. We provide this information to provide insights into potential pitfalls in the development of a Statewide financial reporting system in Illinois.

### Tennessee's Project Edison

Tennessee committed significant funds (over \$88 million) and resources over a period of several years to develop a modern, integrated system to replace 30 outdated systems, some of which were approximately 30 years old. The goals were to increase operating efficiencies and reduce operating costs. As outlined below, Project Edison experienced development and implementation problems which led to delays in the production of Tennessee's Comprehensive Annual Financial Report (CAFR).

The Tennessee Comptroller of the Treasury made the following statements in August 2010 in a letter to the Governor and General Assembly:

*In comparison to prior years, the 2009 CAFR issuance is not timely by seven months. The reasons for the delay relate to difficulties in implementation of the State of Tennessee's Enterprise Resource Planning (ERP) Project, commonly referred to as Project Edison.... The financial integrity and the efficient and effective ongoing operations of the State of Tennessee depend upon the successful operation and maintenance of the Edison system. ...it is paramount that the efforts of Project Edison and agency staffs are structured by industry best practices, activities are clearly focused, responsibilities are carefully assigned, and progress is effectively monitored.*

Tennessee's Project Edison experienced problems during the development process and as a result, the scheduled implementation timeline was extended. To determine the causes for the problems, a vendor was contracted to review the system implementation process.

The vendor released a report in July 2009 that stated "the issues experienced by Tennessee, while similar in nature to the experience of other states, were exacerbated by insufficient attention to agency expectations, incomplete user acceptance testing, limited business process training and unstructured stakeholder communications throughout implementation."

The Tennessee report outlined the following causes for the difficulties and delays in the implementation process.

- **Underestimating the difficulty of the conversion resulted in additional pressures on a limited staff, compounding implementation issues.** From the very first identification of implementation problems, officials underestimated the difficulty of the conversion process. The increased workload on staff resulted in a loss of responsiveness to agency issues, which led to further dissatisfaction with the system. Rather than addressing the problems from an overall, systemic perspective, the reactions to the problems were more on an ad hoc basis.

- **Initially the Edison project was not properly tested for user acceptance.** Prior to implementation, the system should have been tested by the people who would use it in day-to-day practice. This testing would have identified problems difficult to detect by those who designed, configured, and implemented the system.
- **Inadequate training and procedural manuals.** Step-by-step training on how to conduct regular business processes was not part of the formal training program scope. Instead the training program primarily focused on generic system navigation and general functionality. Although Edison procedural manuals were created, their details were not adapted for the transactions specific to each individual agency. End users deemed these manuals to be unsatisfactory since they lacked this detail.
- **User knowledge limited.** The previous system had, over the years, become very customized. Accounting staff only had to know limited information and the underlying accounting entries would be automatically performed by the system. Under the Edison system, accounting staff needed additional knowledge to determine the proper accounting entries in order to process transactions.
- **Communication breakdown.** There was a breakdown in communication between the user agencies and development staff about just what the respective responsibilities of the two groups were. The development staff provided basic guidance on system processes and assumed agencies would be proactive in determining the impact on their individual business processes and would have adequate internal preparation when implementation occurred. Some agencies, on the other hand, expected the development team to instruct staff on exactly what to do, even when the specific steps were agency-dependent.

### **Illinois' Integrated Tax System (GenTax)**

In 2006 the Illinois Department of Revenue (Revenue) decided to replace its antiquated tax administration systems with an integrated tax processing package. The goal of the project was to replace existing applications and related hardware used to administer over 70 taxes with a single solution that supports Revenue's core business processes. The solution and related infrastructure were to simplify application administration; improve data quality and access for users; increase voluntary compliance and collections; and reduce both operational and technology maintenance costs.

In October 2006, Revenue entered into a contract with a vendor for the development of an integrated tax system named GenTax. The contract maximum is approximately \$52.1 million and through fiscal year 2009, the Department had paid approximately \$27.7 million.

Both of our June 30, 2008 and 2009 compliance examinations of the Department of Revenue contained findings that outlined problems associated with the systems development process and project management of GenTax. In the 2009 examination we found that the Department had not ensured the development process and project management of GenTax was properly controlled and documented. For the fiscal year ended June 30, 2009, GenTax processed over \$24.9 billion of tax collections, as well as other transactions.

During our review of the development process and project management we noted:

- The Department had not received all of the deliverables outlined in the vendor’s contract. In addition, of the deliverables received, one was indicated as draft and none had been reviewed and approved by the Department.
- The vendor had supplied a development methodology which outlined artifacts to be developed. However, our review indicated multiple artifacts had not been developed or were in draft form. In addition, there was no indication of review or approval from the Department.
- The Department had conducted system testing; however, testing documentation indicated:
  - There were noted problems; however, no resolution was indicated.
  - Testing documentation was incomplete.
  - Problem requests could not be traced to the problem tracking database.
  - There were hundreds of test scenarios which were indicated as N/A, in-progress, or not started.
- The Department “purified” the legacy data in order to convert to GenTax. However, our review of the “purification” documentation indicated over 50 issues remained opened at the date of conversion, December 5, 2008. Additionally, as of October 2009, 49 issues remained opened, affecting over 95,000 taxpayer accounts.
- The Department conducted a reconciliation of data between the legacy system and GenTax; however, our review indicated:
  - Documentation was not maintained to support the GenTax conversion numbers.
  - Differences were noted between the legacy system and GenTax; however, no resolution was indicated.
  - The reconciliation document did not indicate a review or approval by the Department.
- The Department did not perform parallel testing with GenTax and the legacy system to ensure processing accuracy prior to the implementation of the GenTax Individual Income Tax subsystem on December 5, 2008.

Our examination found that the deficiencies in systems development and project led to problems with the Department’s internal controls over the tax system (GenTax) functions, which affect the integrity of processing taxpayer information, financial data, and financial reporting. In fact, we identified numerous deficiencies in the production modules of GenTax which affected the integrity of financial data and financial reporting.



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## Chapter Five

# OTHER ISSUES

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## CHAPTER CONCLUSIONS

The amount of training offered by the Comptroller and attendance at those trainings has declined in recent years. The most recent Basic GAAP (Generally Accepted Accounting Principles) training course was only attended by 15 employees from 8 agencies. A GAAP Update training course has not been held since 2008. In our agency survey, 33 percent (25 of 75) of agencies responding indicated that additional training from the Comptroller's Office on GAAP reporting would be beneficial. We recommended that the Comptroller's Office assess its training approach and develop a new policy on agency training.

It is also critical that agencies are aware of new standards that impact financial reporting. While agencies need to take the initiative to be aware of new standards, the Comptroller's Office needs to provide information on these standards and how they will affect reporting to the Comptroller. In our agency survey, 27 percent (21 of 77) responded that they did not receive timely information from the Comptroller on new standards.

There has been a lack of cooperation amongst the principals involved in Illinois' financial reporting process. The Comptroller collects information from agencies and completes the Comprehensive Annual Financial Report (CAFR). However, the Comptroller does not have authority over these agencies and there is no penalty if the agencies do not comply with the Comptroller's established due dates. We recommended that the Comptroller's Office and the Governor's Office work together to establish and monitor financial reporting target completion dates. Cooperation would also aid in making sure agencies are complying with completion dates and submitting requested information in a timely manner.

The State of Illinois maintains an inordinate number of funds. In response to our survey, the Comptroller's Office estimated that 900 different funds were utilized in fiscal year 2009. A complex fund structure increases the level of effort necessary to account for and report transactions and increases the risk of errors and omissions. Since agencies are required to complete a GAAP package for each fund in which they have activity, many agencies are required to submit multiple GAAP packages. In fiscal year 2009, **12 agencies were required to submit 30 or more GAAP packages.** We recommended that the Governor's Office and the Comptroller's Office work with the General Assembly to reduce the complexity of the State's fund structure.

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## OTHER ISSUES

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During the course of the audit, we examined other issues that affect or are affected by the current financial reporting system. A new financial reporting system would have an impact on each of these issues.

**Training Provided by the Comptroller’s Office**

The amount of training offered by the Comptroller and attendance at those trainings has declined in recent years. The number of courses, as well as the number of agencies and attendees, for calendar years 2004 through 2010 is summarized in Exhibit 5-1. Over the years, the Comptroller has offered three different types of training. The same courses are offered on different days to accommodate different schedules. Training has typically been held in June, July, or early August of each year.

Exhibit 5-1 <b>TRAINING OFFERED BY THE COMPTROLLER’S OFFICE</b> Calendar Years 2004 – 2010			
Training Course	# of Courses Held	# of Agencies Attending	# of Employees Attending
<b>Basic/Beginning GAAP</b>			
2004	4	28	46
2005	3	22	39
2006	2	20	39
2007	4	15	35
2008	5	21	46
2009	2	10	21
2010	1	8	15
<b>GAAP Update</b>			
2004	4	42	106
2005	4	36	102
2006	5	38	105
2007	5	31	96
2008	5	33	104
2009	Not offered		
2010	Not offered		
<b>WEDGE and Interfund Transfers</b>			
2004	Not offered		
2005	Not offered		
2006	Not offered		
2007	4	22	52
2008	4	15	31
2009	4	11	38
2010	3	10	18

Source: OAG analysis of Comptroller training documents.

The basic GAAP (Generally Accepted Accounting Principles) training course declined in attendance from a high of 46 employees from 28 agencies in 2004 to only 15 employees from 8 agencies in 2010. Basic GAAP training was only given on one day in 2010, although it was offered on three other days which were ultimately cancelled. The GAAP Update training course received fairly steady attendance from 2004 to 2008. However, the course was not offered in



2009 or 2010. The WEDGE and interfund transfers training course was first offered in 2007. Attendance in 2010 hit a low of 18 employees from 10 different agencies.

According to a Comptroller's Office official, the Comptroller's Office offers training on the GAAP forms for the GAAP packages. If there is enough new information that has changed from the previous year, a new class will be offered. The official said that attendance was down in 2010 because of budget constraints and that agencies can't send staff to trainings because they are so understaffed. We also asked if on-site training at individual agencies is offered. The official said that, to his knowledge, it has never been offered. If an agency is having problems, the Comptroller's Office will send someone to the agency to assist them.

If Illinois implements a new centralized GAAP compliant financial reporting system, training on the system would obviously be key. Once the system was fully implemented, the type of training that would need to be offered by the Comptroller's Office would change but would likely still be needed.

In our agency survey, 33 percent (25 of 75) of agencies responding indicated that additional training from the Comptroller's Office on GAAP reporting would be beneficial. Specific comments from agencies included:

- *GAAP training is very generic, more specificity is desirable.* (Department on Aging)
- *I think basic training from Step A to Step Z that is specific to agency size/funding would be very beneficial. Much of the training provided doesn't apply to our agency and that makes it confusing. On the other hand, the Comptroller's staff provide excellent assistance to help us submit timely and accurate information.* (Council on Developmental Disabilities)
- *Training should be agency specific.* (Criminal Justice Information Authority)
- *GAAP training sessions have proven to be very confusing, not very helpful; therefore we stopped attending.* (Illinois Arts Council)
- *Need more in depth training preparing GAAP packages with actual transactions and not just the theory and overview of the process.* (Department of Veterans' Affairs)
- *More detailed Wedge-Based system training. Offer examples of possible scenarios as to why the IOC might make an adjustment. Training could be held in the month of September after financial reporting is complete.* (Violence Prevention Authority)

It is also critical that agencies are aware of new standards that impact financial reporting. While agencies need to take the initiative to be aware of new standards, the Comptroller's Office needs to provide information on these standards and how they will affect reporting to the Comptroller.

We asked agencies if they receive timely information from the Office of the Comptroller concerning new financial reporting standards that impact information that will need to be

reported to the Office of the Comptroller. Of those responding, 27 percent (21 of 77) responded that they did not receive timely information. Specific comments included:

- *Training on new GASB statements and related GAAP reporting requirements would be beneficial. This should be conducted in the spring each year in advance of GAAP submissions. At a minimum, IOC guidance should be distributed to agencies regarding new reporting requirements on an on-going basis or incorporated into the semi-annual SAMS manual updates. (Central Management Services)*
- *Lack of timely information from the IOC regarding the due dates, accounting statements, and packages. (Corrections)*
- *In numerous occasions across the state erroneous information or assumptions have been used to decide how to apply new and existing accounting standards. It is not uncommon for the Comptroller's Office to then wait until the last minute to inform DHS of the final decision changing previous application, sometimes as late as February, and then blames the agency for not submitting corrections timely. (Human Services)*
- *Training on new standards prior to required implementation. (Treasurer)*

<b>TRAINING</b>	
<b>RECOMMENDATION NUMBER</b>  <b>3</b>	<i>The Office of the Comptroller should assess its training approach and develop a new policy on agency training. The assessment should involve the user agencies and should consider the need for agency specific training and training on new financial reporting standards.</i>
<b>COMPTROLLER’S OFFICE RESPONSE</b>	We concur with the OAG recommendation. The Comptroller’s Office will develop a new outreach program for the agencies that includes periodic update sessions, training sessions, and round table discussions. In addition, the Comptroller’s Office will request the funding for a GAAP technical unit to meet the needs of the State with outreach, training, technical assistance, and rapid response to specific problems identified by the IOC, the Governor’s Office, or the agencies.

### **Cooperation and Establishing Financial Reporting Deadlines**

There has been a lack of cooperation amongst the principals involved in Illinois’ financial reporting process. For any system to work there must be cooperation between the different parties. This concept of cooperation is especially important in Illinois’ year-end financial reporting process. The Comptroller collects information from agencies and completes the Comprehensive Annual Financial Report (CAFR). However, the Comptroller does not have authority over these agencies and there is no penalty if the agencies do not comply with the Comptroller’s established due dates.

In other states, the responsibility for preparing the CAFR is mixed. Exhibit 5-2 shows where the responsibility lies in the states. For the majority (37 of 50), the responsibility lies within an agency under the Governor. For example, in Missouri, the CAFR is prepared by the Office of Administration – Division of Accounting, which is an agency under the Governor. Including Illinois, the CAFR is prepared by a separately elected official in 12 of the 50 states. For 10 of 12, the elected official is a Comptroller, a Controller, or a Chief Financial Officer. In the remaining two, the elected official is the State Auditor. For the state classified as “Other Arrangement,” the Controller of North Carolina is appointed by the Governor and approved by the General Assembly for a seven year term.

Exhibit 5-2 ORGANIZATIONAL LOCATION OF CAFR PREPARERS IN THE 50 STATES	
Organizational Description	Count
Under the Governor	37
Separately Elected Official	12
Other Arrangement	1
Total	50
Source: OAG analysis of other states' CAFRs.	

Our Office, at times, sees a lack of cooperation during routine audits of state agencies when agencies do not provide requested information in a timely fashion. For this audit, two agencies would not provide survey responses despite several requests to do so. Agencies need to cooperate with each other for State government to function properly.

As noted in Chapter One, in conjunction with the audit of the State’s financial statements, our Office issues a report on internal control over financial reporting. This report has contained a finding on financial reporting weaknesses that has been repeated for the last eight years. In response to the finding, the Governor’s Office and the Comptroller’s Office have agreed to work together to solve the issues and have stated that part of the problem lies in a separation in the responsibility for the State’s internal control procedures. Despite the agreement to work together, our most recent finding noted the following:

*Those charged with governance are not actively involved in the financial reporting process. Specifically, those charged with governance do not have a formal process for establishing financial reporting target completion dates and routinely monitoring progress towards meeting completion dates or ensuring audit requests are completed timely.*

The Comptroller’s Office and the Governor’s Office need to work together to establish and monitor financial reporting target completion dates. Cooperation would also aid in making sure agencies are complying with completion dates and submitting requested information in a timely manner.

<b>ESTABLISHING FINANCIAL REPORTING TIMELINES</b>	
<b>RECOMMENDATION NUMBER  4</b>	<i>The Governor’s Office and the Office of the Comptroller should work together to establish financial reporting target completion dates. They should also work together in monitoring the established dates to ensure that agencies are complying with those dates and submitting information in a timely manner.</i>
<b>GOVERNOR’S OFFICE RESPONSE</b>	<p>The Governor’s Office concurs with the Office of the Auditor General’s recommendation. The Comptroller is in the best position to establish the timeline for financial reporting target completion dates. The Governor’s Office will assist meeting any such timeline by personally urging agencies under the Governor to respond in a timely fashion. The Governor’s Office of Management and Budget will use its resources to monitor the agencies through its staff and obtain updates on the status of submissions.</p> <p>As has been noted in this report and in the recommendations, the inability of agencies to respond in a timely manner is multifaceted and cannot be solved in the short term without providing additional support and assistance to the agencies. Hiring additional competent staff and providing technological solutions will be an integral part of any long-term solution.</p>
<b>COMPTROLLER’S OFFICE RESPONSE</b>	<p>We concur with the OAG recommendation. The Comptroller’s Office will work with the Governor’s Office to develop financial reporting target completion dates. We will coordinate with the Office of the Auditor General to make sure our timelines are in sync with their audit plans. If an agency does not meet the targeted completion dates, the Comptroller’s Office will notify the Governor’s Office and the Auditor General’s Office immediately.</p>

### **Number of State Funds**

The State of Illinois maintains an inordinate number of funds. In response to our survey, the Comptroller’s Office estimated that 900 different funds were utilized in fiscal year 2009. A complex fund structure increases the level of effort necessary to account for and report transactions. Many transactions are fund transfers from one fund to another. State agencies, the Comptroller’s Office, and our Office spend an excessive amount of time and effort accounting for money that just moves from one fund to another.

Since agencies are required to complete a GAAP package for each fund in which they have activity, many agencies are required to submit multiple GAAP packages. As shown in Exhibit 5-3, **12 agencies were required to submit 30 or more GAAP packages in fiscal year 2009.** The number of funds leads to increased time spent completing GAAP packages and increases the chance of errors in the GAAP packages.

Some states were similar to Illinois in utilizing many different funds. For example, California had 836 active funds in fiscal year 2009. Florida had over 2,000 funds for internal reporting purposes which were aggregated into 73 funds for external reporting purposes. Conversely, Michigan utilized only 76 funds and Wisconsin 60 funds. Results from all of the states responding to our survey are included in Appendix E.

Different funds are established in order to control and segregate resources to ensure they are used for the purposes intended. Funds are often created as the result of legal requirements. In recent years, the State has circumvented these controls and conducted special transfers referred to as “sweeps.” Most recently, in fiscal year 2010, \$283 million was swept from 188 different funds. If money continues to be swept from funds, the need for segregating resources into different funds is diminished.

Recent legislation has begun to include language prohibiting such things as sweeps, interfund transfers, and administrative chargebacks. For example, Public Act 96-159 created the Illinois Power Agency Renewable Energy Resources Fund. The Act states that the fund “...shall not be subject to sweeps, administrative charges, or chargebacks...that would in any way result in the transfer of any funds from this Fund to any other fund of this State...”

In 2003, in an immaterial finding to the Comptroller’s Office, we reported on the number of funds maintained by the State and the need to reduce the complexity of the State’s fund structure. We reported that financial transactions accounted for in a complex fund structure increase the risk of errors and omissions, increase the level of effort necessary to account for and report transactions, and complicate the combining process for financial reporting in accordance with GAAP. Additionally, numerous transfers among funds hinder useful financial analysis. The risk of financial reporting errors is also increased when financial activity includes numerous transfers among funds.

The Comptroller’s Office responded to the finding by stating that until the General Assembly and the Governor enact legislation to change the number of funds and interfund

Exhibit 5-3 STATE AGENCIES THAT WERE REQUIRED TO SUBMIT 30 OR MORE GAAP PACKAGES Fiscal Year 2009	
Agency	# of packages submitted
Revenue	74
Secretary of State	63
Public Health	60
Human Services	57
Natural Resources	51
Agriculture	49
Commerce & Economic Opportunity	46
Financial & Professional Reg.	40
Healthcare and Family Services	32
Transportation	32
Environmental Protection Agency	31
State Police	30
Source: OAG analysis of fiscal year 2009 GAAP package submissions.	

transfers, the Comptroller’s Office must establish the funds required by legal specifications and process transfers authorized by statute.

<b>REDUCING THE COMPLEXITY OF THE STATE’S FUND STRUCTURE</b>	
<b>RECOMMENDATION NUMBER 5</b>	<i>The Governor’s Office and the Office of the Comptroller should work with the General Assembly to reduce the complexity of the State’s fund structure.</i>
<b>GOVERNOR’S OFFICE RESPONSE</b>	The Governor’s Office concurs with the Office of the Auditor General’s recommendation. The Governor’s Office, with the assistance of the Governor’s Office of Management and Budget, will continue to review the fund structure of the State and make recommendations. Most funds are required by statute. Any consolidation or elimination of funds would require the approval of the General Assembly. GOMB is also happy to work with the Comptroller in responding to requests by legislators to analyze the necessity of creating a new fund for some specific purpose. GOMB will seek to provide innovative solutions that will satisfy the desire to keep a separate accounting of designated moneys.
<b>COMPTROLLER’S OFFICE RESPONSE</b>	We concur with the OAG recommendation. The Comptroller’s Office will extend an official offer to the General Assembly to review any draft legislation that involves the creation of new funds and provide technical advice on potential alternatives.

# **APPENDICES**





**APPENDIX A**

**Senate Resolution Number 609**



STATE OF ILLINOIS  
NINETY-SIXTH GENERAL ASSEMBLY  
Senate

Senate Resolution No. 609

Offered by Senator Michael Bond

WHEREAS, Pursuant to State law, the State Comptroller is given the responsibility to "develop and prescribe for the use of all State agencies a uniform accounting system . . ." in accordance with generally accepted accounting principles applicable to government; and

WHEREAS, For the last 7 years, the Auditor General's audits of the State's financial statements have concluded that the State of Illinois does not have adequate controls to ensure that information reported by individual agencies of the primary government is fairly stated and compliant with generally accepted accounting principles; and

WHEREAS, For the last 7 years, the Auditor General's statewide single audits have concluded that the State's current financial reporting process also is not sufficient to allow the State to prepare a complete and accurate Comprehensive Annual Financial Report (CAFR) or the Schedule of Expenditures of the Federal Awards in a timely manner; and

WHEREAS, Financial reporting problems result in inaccuracies, inefficiencies, and delays that negatively impact the ability of State decision-makers to have timely and accurate information on which to base their decisions and could

potentially jeopardize the State's eligibility for federal funding; and

WHEREAS, A centralized automated reporting system, if properly implemented, would increase the State's timeliness, accuracy, and consistency in financial reporting and enhance its accountability and transparency to citizens, other units of government, vendors, bond-rating agencies, and other interested persons; and

WHEREAS, The cost of a centralized automated reporting system sufficient to address these issues is estimated at more than \$100 million; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General is directed to conduct a management audit of the State's financial reporting system; and be it further

RESOLVED, That the audit include, but not be limited to, the following determinations:

(1) an analysis of the State's current financial reporting procedures, practices, and systems, including the number of different systems used by the various State agencies, an estimate of the cost of maintaining those systems, and whether those systems are compliant with generally accepted accounting principles applicable to government; and

(2) a survey of other states to determine their methods of financial reporting and any advantages or disadvantages to those methods, with particular emphasis on those states, if

any, with centralized automated reporting systems; and be it further

RESOLVED, That the Office of the Governor, Office of the State Comptroller, Governor's Office of Management and Budget, and any other entity having information relevant to this audit cooperate fully and promptly with the Auditor General's Office in the conduct of this audit; and be it further

RESOLVED, That the Auditor General commence this audit as soon as possible and report findings and recommendations upon completion in accordance with the provisions of Section 3-14 of the Illinois State Auditing Act, but no later than 12 months after the adoption of this resolution; and be it further

RESOLVED, That copies of this resolution be delivered to the Auditor General, Governor, and State Comptroller.

Adopted by the Senate, March 4, 2010.



President of the Senate



Secretary of the Senate



**APPENDIX B**  
**Audit Methodology**





# AUDIT METHODOLOGY

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We conducted this performance audit in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit objectives for this audit were those as delineated in Senate Resolution Number 609 (see Appendix A), which directed the Auditor General to conduct an audit of the State's financial reporting system. The audit objectives are listed in the Introduction section of Chapter One. Fieldwork for this audit was conducted between August 2010 and October 2010.

In conducting the audit, we reviewed applicable State statutes and rules. We reviewed compliance with those laws to the extent necessary to meet the audit's objectives. Any instances of non-compliance we identified are noted in this report.

We also reviewed management controls and assessed risk related to the audit's objectives. A risk assessment was conducted to identify areas that needed closer examination. Any significant weaknesses in those controls are included in this report.

During the audit we met with officials from the Office of the Comptroller and the Governor's Office and held phone interviews with the Governor's Office of Management and Budget, Governmental Accountability Office, U.S. Department of Health and Human Services, and Moody's Investors Service.

We surveyed 90 State agencies of primary government to gather information on the financial reporting systems used by those agencies. Most agencies were cooperative and provided the requested information. However, two of the agencies surveyed, Military Affairs and the Supreme Court, did not provide responses.

The survey was very detailed with 42 questions and was broken up into different sections. A few specific notes about the survey:

- The survey was set up in Microsoft Word as a form to be completed electronically.
- The survey began with a page of key definitions.
- Questions 1 – 2 asked about the financial reporting systems used by each agency.
- Questions 3 – 7 dealt specifically with the use of the four common systems.
- Questions 8 – 23 asked for detailed information on each additional financial reporting system (excluding the four common systems) used by each agency. These questions were to be filled out for each system.

- Questions 24 – 36 dealt with GAAP reporting.
- Questions 37 – 42 were overall questions.

When referring to the agencies surveyed in the report, results will be based on 84 responses. As noted above, two agencies did not respond. One agency, the Office of the Lt. Governor, did not have a budget for fiscal year 2010. Separate surveys were sent to the President and the Minority Leader of the Senate but they elected to respond in a single survey. In addition, three of the retirement systems were combined into one response. We identified the 10 largest state agencies based on FY10 expenditures.

We also surveyed all 50 states and the District of Columbia to gather information on the financial reporting systems in those states. We received responses from 34 of the 51 surveyed. Our survey contained questions that were focused on states that had recently implemented a centralized system and asked the states the type of financial reporting used, when the system was developed, whether or not a vendor was used, costs associated with the implementation and conversion, as well as ongoing costs, problems, and/or savings associated with the system.

**APPENDIX C**

**Financial Reporting Systems at State  
Agencies**

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>AGING</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		None				
<b>AGRICULTURE</b>	<b># of systems:</b>	13				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		ACCPAC	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Cash</li> </ul>	2005	2010	No
		ADAPTA	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Cash</li> </ul>	1994	1998	No
		Budget Administration System	<ul style="list-style-type: none"> <li>▪ Budgeting</li> </ul>	2002	2009	No
		Departmental Receipting System	<ul style="list-style-type: none"> <li>▪ Cash</li> <li>▪ General Accounting</li> </ul>	2002	2004	No
		Egg Inspection Receipts	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Cash</li> <li>▪ General Accounting</li> </ul>	N/A	N/A	No
		Fair Management System	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Cash</li> </ul>	2002	2006	No
		Feed/Fertilizer System	<ul style="list-style-type: none"> <li>▪ Cash</li> <li>▪ General Accounting</li> </ul>	2006	2006	No
		Laboratory Information Management System (LIMS)	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Cash</li> <li>▪ General Accounting</li> </ul>	2002	2008	No
		Seed Permit System	<ul style="list-style-type: none"> <li>▪ Cash</li> <li>▪ General Accounting</li> </ul>	2006	2006	No
<b>ATTORNEY GENERAL</b>	<b># of systems:</b>	7				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		FileMaker	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> </ul>	Uncertain	Original Version	No
	Accounts Receivable Database	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> </ul>	Uncertain	Original Version	No	
	Microsoft Excel	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Fixed Assets</li> </ul>	Uncertain	2010	No	

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**AT STATE AGENCIES**

					AGING
<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)			
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
					AGRICULTURE
<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)			
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$8,500	\$2,250	–	Satisfied	
No	\$13,400	N/A	–	Dissatisfied	
Yes	\$4,000	N/A	–	Satisfied	
Yes	\$40,000	N/A	–	Satisfied	
No	\$46,200	N/A	–	Satisfied	
Yes	\$125,000	N/A	–	Satisfied	
No	\$84,600	N/A	–	Neutral	
No	\$100,000	\$19,950	–	Neutral	
No	\$10,400	N/A	–	Neutral	
					ATTORNEY GENERAL
<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)			
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	\$181,450	\$7,206	–	Very Satisfied	
No	\$28,650	\$5,000	\$294	Dissatisfied	
No	\$95,500	\$5,000	–	Satisfied/ Dissatisfied	

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>AUDITOR GENERAL</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Inventory	▪ Fixed Assets	1998	2010	Yes
Timekeeping		▪ Timekeeping	1998	2010	No	
	Accounts Receivable	▪ Accounts Receivable	1992	2000	No	
<b>BOARD OF HIGHER EDUCATION</b>	<b># of systems:</b>	3				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Microsoft Excel	▪ Budgeting ▪ Cash ▪ Fixed Assets ▪ General Accounting ▪ Timekeeping	–	Ongoing	No
<b>CAPITAL DEVELOPMENT BOARD</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		AS400	▪ Accounts Receivable ▪ Budgeting ▪ Cash ▪ General Accounting ▪ Grants Accounting	1999	Ongoing	No
<b>CENTRAL MANAGEMENT SERVICES</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
	None					
<b>CHILDREN AND FAMILY SERVICES</b>	<b># of systems:</b>	12				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		MARS - VP (voucher payment)	▪ General Accounting	1981	2010	No
	MARS – TFeds	▪ Budgeting ▪ General Accounting ▪ Grant Accounting	2008	2010	No	

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**AT STATE AGENCIES**

					AUDITOR GENERAL
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	\$1,500	\$250	–	Satisfied	
No	\$15,000	\$250	–	(Being updated)	
No	\$600	\$250	–	Very Satisfied	
					BOARD OF HIGHER EDUCATION
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	\$44,000	\$3,000	\$8,800	Neutral	
					CAPITAL DEVELOPMENT BOARD
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	\$105,000	\$145,000	–	Very Satisfied	
					CENTRAL MANAGEMENT SERVICES
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
					CHILDREN AND FAMILY SERVICES
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$12,076,181	\$700,000	–	Dissatisfied	
Yes	\$173,578	\$86,879	–	Dissatisfied	

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>CHILDREN AND FAMILY SERVICES (Continued)</b>	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>	
		MARS - MG (Memo Grant)	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> </ul>	1981	2010	No	
		MARS - OFM Financial Data Mart	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> </ul>	1995	2010	No	
		MARS - DC (Day Care Payments)	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	1991	2010	No	
		MARS - CN (Contracts, Grants, and Obligations)	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	1981	2010	No	
		MARS - BP (Board Payment)	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	1981	2010	No	
		MARS - RC (Accounts Receivable)	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ General Accounting</li> </ul>	1981	2010	No	
		MARS - AA (Appropriation Accounting)	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> </ul>	1981	2010	No	
		MARS - TR (Ward Trust Accts)	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	1981	2010	No	
<b>CIVIL SERVICE COMMISSION</b>	<b># of systems:</b>	4					
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)			
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>	
		Microsoft Excel	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ Fixed Assets</li> <li>▪ General Accounting</li> <li>▪ Inventory</li> <li>▪ Other - tracking furlough days, FOIA receipts</li> </ul>	2004	2007	No	
<b>COMMERCE AND ECONOMIC OPPORTUNITY</b>	<b># of systems:</b>	5					
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)			
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>	
			DCEO Financial Management System	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> </ul>	1995	2005	No
			DCEO Property Control System	<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> <li>▪ Inventory</li> </ul>	2002	2005	No
		Loan Base	<ul style="list-style-type: none"> <li>▪ Other – loan management</li> </ul>	2002	2005	No	
<b>COMMISSION ON HUMAN RIGHTS</b>	<b># of systems:</b>	3					
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)			
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>	
		None					



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**AT STATE AGENCIES**

Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	CHILDREN AND FAMILY SERVICES (Continued)
Yes	\$434,394	\$1,501,040	–	Dissatisfied	
Yes	\$260,637	\$2,000	–	Dissatisfied	
Yes	\$1,303,183	\$100,400	–	Neutral	
Yes	\$260,637	Unknown	–	Dissatisfied	
Yes	\$2,215,412	Unknown	–	Dissatisfied	
Yes	\$86,879	Unknown	–	Dissatisfied	
Yes	\$217,197	Unknown	–	Dissatisfied	
Yes	\$173,758	Unknown	–	Dissatisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					CIVIL SERVICE COMMISSION
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	Not Provided	\$168	–	Very Satisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					COMMERCE AND ECONOMIC OPPORTUNITY
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$ 1,950,000	\$1,673,000	–	Satisfied	
Yes	\$210,000	\$38,000	–	Satisfied	
Yes	\$40,000	\$2,583	–	Satisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					COMMISSION ON HUMAN RIGHTS
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>COMMUNITY COLLEGE BOARD</b>	<b># of systems:</b>	1				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		None				
<b>COMPTRROLLER</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Bond System	▪ Payroll	2002	2010	Yes
		Payroll, Commercial, Contractual, Retirement, Electronic Replacement	▪ Payroll	1997	2010	Yes
		SAMS	▪ General Accounting	1997	2010	Yes
		State Tax, Public Aid	▪ Payroll	1997	2010	Yes
	WEDGE, 400 System	▪ Payroll	1997	2010	Yes	
<b>CORRECTIONS</b>	<b># of systems:</b>	9				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		SAMS	▪ Budgeting ▪ Cash ▪ General Accounting ▪ Grant Accounting ▪ Payroll ▪ Procurement ▪ Other – statewide reporting	Unknown	Unknown	No
		Fund Accounting Commissary Trading System (FACTS)	▪ Other – locally held funds	1995	Ongoing	No
		MACOLA	▪ Other – fund 301	2000	At install	No
		Automated Property Control System (APCS)	▪ Fixed Assets	1985	During GASB 34	No
		The Inventory Management System (TIMS)	▪ Inventory ▪ Other – reconciliations	2007	Ongoing	No
		DHS Payroll	▪ Payroll	Unknown	Unknown	No
		Excel Software	▪ Accounts Receivable ▪ Budgeting ▪ Cash ▪ Fixed Assets ▪ General Accounting ▪ Grant Accounting ▪ Inventory ▪ Payroll ▪ Timekeeping	Unknown	Unknown	No

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**AT STATE AGENCIES**

					COMMUNITY COLLEGE BOARD	
<input type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)				
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System		
					COMPTROLLER	
<input type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)				
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System		
No	Did not provide	\$10,900	–	Satisfied		
No	Did not provide	\$145,600	–	Satisfied		
No	Did not provide	\$509,600	–	Satisfied		
No	Did not provide	\$72,700	–	Satisfied		
No	Did not provide	\$50,800	–	Satisfied		
					CORRECTIONS	
<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)				
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System		
Yes	\$714,000	Unknown	–	Satisfied		
Yes	\$7,140,000	Minimal or None	–	Very Satisfied		
No	\$714,000	\$3,000	\$714,000	Neutral		
No	\$1,428,000	Minimal or None	\$1,428,000	Dissatisfied		
No	\$1,428,000	Minimal or None	–	Very Satisfied		
No	\$2,499,000	\$280,000	\$2,499,000	Satisfied		
No	\$2,856,000	Minimal or None	\$2,856,000	Satisfied		

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>COUNCIL ON DEVELOPMENTAL DISABILITIES</b>	<b># of systems:</b>	6				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Access voucher database	<ul style="list-style-type: none"> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> </ul>	1992	Office 2007 was installed	No
Access inventory database		<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> </ul>	1992	Office 2007 was installed	No	
	Ledgers	<ul style="list-style-type: none"> <li>▪ Cash</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> </ul>	1993	Office 2007 was installed	No	
<b>COURT OF CLAIMS</b>	<b># of systems:</b>	2				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
Microsoft Excel		<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ General Accounting</li> <li>▪ Timekeeping</li> </ul>	Did not provide	Did not provide	Did not provide	
<b>CRIMINAL JUSTICE INFORMATION AUTHORITY</b>	<b># of systems:</b>	6				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Microsoft Software Suite	<ul style="list-style-type: none"> <li>▪ Other – analysis, supporting documentation, audit trail and control for financial transactions</li> </ul>	1984	2006	No
Governor's Office of Management Budget Software		<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Other – headcount &amp; budget/actual Variance reporting</li> </ul>	Unknown	Unknown	No	
	Comptroller's Wedge System	<ul style="list-style-type: none"> <li>▪ Other – GAAP reporting</li> </ul>	Unknown	Unknown	Yes	
<b>DEAF &amp; HARD OF HEARING COMMISSION</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
None						

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**AT STATE AGENCIES**

					COUNCIL ON DEVELOPMENTAL DISABILITIES
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	\$5,334	Minimal or None	\$323.93	Very Satisfied	
No	\$270	Minimal or None	–	Very Satisfied	
No	\$650	Minimal or None	–	Very Satisfied	
					COURT OF CLAIMS
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	Minimal	Minimal or None	–	Very Satisfied	
					CRIMINAL JUSTICE INFORMATION AUTHORITY
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	\$326,400	\$18,240	\$65,280	Very Satisfied	
No	\$1,920	Unknown	–	Satisfied	
Yes	\$19,200	Unknown	–	Dissatisfied	
					DEAF & HARD OF HEARING COMMISSION
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>DRYCLEANER ENVIRONMENTAL RESPONSE FUND</b>	<b># of systems:</b>	2				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Illinois Drycleaner Database	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ General Accounting</li> <li>▪ Timekeeping</li> </ul>	1999	2010	No
Financial Reporting	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ General Accounting</li> </ul>	2003	2010	No		
<b>EDUCATIONAL LABOR RELATIONS BRD.</b>	<b># of systems:</b>	3				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
None						
<b>EMERGENCY MANAGEMENT</b>	<b># of systems:</b>	1				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
Financial Management System (FMS)		<ul style="list-style-type: none"> <li>▪ Budgeting</li> </ul>	2009	–	No	
<b>EMPLOYMENT SECURITY</b>	<b># of systems:</b>	7				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Administrative Accounting System (AAS)	<ul style="list-style-type: none"> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> <li>▪ Other – accounts payable, obligation control</li> </ul>	1999	2010	Yes
		Benefit Funding System (BFS)	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> </ul>	1993	2001	Yes
		Illinois Benefit Information System (IBIS)	<ul style="list-style-type: none"> <li>▪ Other – claims processing &amp; payment</li> </ul>	1976	2010	No
		Fund Ware	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	1991	2006	Yes
		Payroll	<ul style="list-style-type: none"> <li>▪ Payroll</li> <li>▪ Timekeeping</li> </ul>	1987	2000	Yes
Supplies Inventory Control Systems (SICS)		<ul style="list-style-type: none"> <li>▪ Inventory</li> </ul>	1974	2010	Yes	

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					<b>DRYCLEANER ENVIRONMENTAL RESPONSE FUND</b>
<input type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
No	N/A – administered by a third-party administrator	N/A - all costs paid by the third-party administrator	N/A – administered by a third-party administrator	Very Satisfied	
No	N/A – administered by a third-party administrator	N/A - all costs paid by the third-party administrator	N/A – administered by a third-party administrator	Very Satisfied	
					<b>EDUCATIONAL LABOR RELATIONS BRD.</b>
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)		
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
					<b>EMERGENCY MANAGEMENT</b>
<input type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
Yes	\$132,000	\$12,000	–	Satisfied	
					<b>EMPLOYMENT SECURITY</b>
<input type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
Yes	\$10,000,000	\$515,000	–	Satisfied	
Yes	\$17,500,000	\$1,425,000	–	Satisfied	
Yes	\$80,000,000	\$3,500,000	–	Dissatisfied	
No	\$100,000	\$1,000	–	Very Satisfied	
Yes	\$600,000	\$300,000	\$100,000	Neutral	
Yes	\$200,000	\$75,000	\$50,000	Neutral	

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>ENVIRONMENTAL PROTECTION AGENCY</b>	<b># of systems:</b>	11				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Program Reporting System	▪ Grant Accounting	1977	2001	No
		Budget Administration System (BAS)	▪ Budgeting	1998	2007	N/A
		Financial Assistance System (FAS)	▪ Accounts Receivable ▪ General Accounting	1988	N/A	No
		ICEMAN	▪ Accounts Receivable	1995	2009	No
		ETimecard System	▪ Timekeeping	2009	FY11	No
		Cash Management System	▪ Accounts Receivable ▪ Cash ▪ General Accounting	1980	2001	No
Cost Recovery System		▪ Accounts Receivable	2009	2010	N/A	
<b>EXECUTIVE ETHICS COMMISSION</b>	<b># of systems:</b>	2				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
Microsoft Excel		▪ General Accounting ▪ Inventory ▪ Timekeeping	Unknown	2010	Unknown	
<b>FINANCIAL AND PROFESSIONAL REGULATION</b>	<b># of systems:</b>	10				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		SAMS and Comptroller warehouse	▪ Cash ▪ Other – receipts and expenditures	1998	Unknown	Unknown
		Budget Administration System	▪ Budgeting	2002	2010	N/A
		CLEAR	▪ Other – licensing system	2003	2010	N/A
		ILES	▪ Other – licensing system	2003	2010	N/A
		DFI Accounting System	▪ Accounts Receivable ▪ Cash ▪ General Accounting	2002	Ongoing	N/A
Excel and Access		▪ Other – import payments and receipts for reconciliation purposes	2003	2007	N/A	



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<input checked="" type="checkbox"/> Central Payroll System (CPS)					<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>ENVIRONMENTAL PROTECTION AGENCY</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>						
Yes	\$140,000	Unknown	–	Neutral						
Yes	\$5,000	Unknown	–	Very Satisfied						
Yes	\$700,000	\$32,000	\$71,400	Satisfied						
Yes	\$100,000	\$47,000	–	Satisfied						
Yes	\$2,520,000	\$9,600	\$7,753	Satisfied						
Yes	\$640,000	Unknown	\$171,200	Dissatisfied						
Yes	\$140,000	\$70,000	–	Very Satisfied						
<input checked="" type="checkbox"/> Central Payroll System (CPS)					<input type="checkbox"/> Central Time and Attendance System (CTAS)					<b>EXECUTIVE ETHICS COMMISSION</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>						
No	Unable to Estimate	Did not provide	N/A	Did not provide						
<input checked="" type="checkbox"/> Central Payroll System (CPS)					<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>FINANCIAL AND PROFESSIONAL REGULATION</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>						
Yes	\$27,000	Did not provide	N/A	Very Satisfied						
Yes	\$22,600	\$4,930	Did not provide	Satisfied						
Yes	\$817,000	\$292,454	Did not provide	Satisfied						
Yes	Included with CLEAR system	Included with CLEAR system	Did not provide	Satisfied						
No	Did not provide	Did not provide	Did not provide	Satisfied						
No	\$252,000	N/A	N/A	Very Satisfied						

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>GAMING BOARD</b>	<b># of systems:</b>	6				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Excel Spreadsheets	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ Procurement</li> <li>▪ Timekeeping</li> </ul>	Did not provide	2007	No
Electronic Wagering and Admissions Reporting System		<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Cash</li> <li>▪ General Accounting</li> </ul>	2007	2010	No	
	Occupational Licensing System	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Cash</li> <li>▪ General Accounting</li> <li>▪ Other – billing for application and license fees</li> </ul>	2004	2009	No	
<b>GENERAL ASSEMBLY HOUSE MINORITY LEADER</b>	<b># of systems:</b>	3				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		General Assembly (GA) Accounting System	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	2007	2010	No
GA Property Control System		<ul style="list-style-type: none"> <li>▪ Cash</li> <li>▪ Inventory</li> </ul>	2006	2010	No	
<b>GENERAL ASSEMBLY SPEAKER OF THE HOUSE</b>	<b># of systems:</b>	3				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		GA Accounting System	<ul style="list-style-type: none"> <li>▪ General Accounting</li> <li>▪ Other – voucher and obligation preparation</li> </ul>	Unknown	Unknown	Unknown
Microsoft Excel		<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Timekeeping</li> </ul>	Unknown	Unknown	Unknown	

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**AT STATE AGENCIES**

<input checked="" type="checkbox"/> Central Payroll System (CPS)					<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)				
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>					
No	\$245,858	\$143	Did not provide	Satisfied					
No	\$97,042	\$12,093	\$48,521	Satisfied					
Yes	\$597,879	\$10,365	-	Satisfied					
<b>GAMING BOARD</b>									
<input checked="" type="checkbox"/> Central Payroll System (CPS)					<input type="checkbox"/> Central Time and Attendance System (CTAS)				
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>					
Yes	\$26,650	Minimal or none	None	Very Satisfied					
Yes	\$6,760	Minimal or none	None	Satisfied					
<b>GENERAL ASSEMBLY HOUSE MINORITY LEADER</b>									
<input checked="" type="checkbox"/> Central Payroll System (CPS)					<input type="checkbox"/> Central Time and Attendance System (CTAS)				
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>					
Did not provide	Minimal	Minimal or none	None	Very Satisfied					
Did not provide	\$41,500	Minimal or none	None	Very Satisfied					
<b>GENERAL ASSEMBLY SPEAKER OF THE HOUSE</b>									

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>GENERAL ASSEMBLY SENATE</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		GA Accounting System	▪ General Accounting	2007	2010	No
GA Property Control System		▪ Inventory	2006	2010	No	
	Time Entry System (TES)	▪ Timekeeping	2004	2010	No	
<b>GOVERNMENT FORECASTING AND ACCOUNTABILITY</b>	<b># of systems:</b>	3				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		GA Accounting System	▪ General Accounting	2007	2010	No
Time Entry System (TES)		▪ Timekeeping	2004	2010	No	
<b>GOVERNOR</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
None						
<b>GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Kronos – Workforce Timekeeping	▪ Timekeeping	2008	2008	Yes
Excel		▪ Accounts Receivable ▪ Budgeting ▪ Fixed Assets ▪ General Accounting ▪ Inventory ▪ Payroll	1996	2010	No	
<b>GUARDIANSHIP &amp; ADVOCACY COMMISSION</b>	<b># of systems:</b>	3				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
None						

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<input checked="" type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)					<b>GENERAL          ASSEMBLY SENATE</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
Yes	\$133,708	Minimal or none	None	Very Satisfied	
Yes	\$25,305	Minimal or none	None	Very Satisfied	
No	\$12,059	Minimal or none	None	Very Satisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)					<b>GOVERNMENT          FORECASTING AND          ACCOUNTABILITY</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
Yes	\$19,623	Minimal or none	Did not provide	Very Satisfied	
No	\$9,816	Minimal or none	None	Very Satisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>GOVERNOR</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)					<b>GOVERNOR'S OFFICE OF          MANAGEMENT AND BUDGET</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
No	\$15,000	Minimal or none	None	Dissatisfied	
No	\$80,976	\$12,000	Did not provide	Very Satisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>GUARDIANSHIP &amp;          ADVOCACY          COMMISSION</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>HEALTHCARE AND FAMILY SERVICES</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Programmatic and Administrative Accounting System (PAAS)	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ Fixed Assets</li> <li>▪ General Accounting</li> <li>▪ Procurement</li> </ul>	1996	2002	No
		Key Information Distributions System (KIDS)	Did not provide	Did not provide	Did not provide	Did not provide
		Payroll System	<ul style="list-style-type: none"> <li>▪ Payroll</li> </ul>	Did not provide	Did not provide	Did not provide
		Warehouse and Asset Management System (WAMS)	<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> </ul>	Did not provide	Did not provide	Did not provide
Medicaid Management Information System (MMIS)	Did not provide	Did not provide	Did not provide	Did not provide		
<b>HISTORIC PRESERVATION AGENCY</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		MERMAID (Grant Tracking)	<ul style="list-style-type: none"> <li>▪ Grant Accounting</li> </ul>	2002	N/A	No
Microsoft Excel		<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ Fixed Assets</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> <li>▪ Inventory</li> <li>▪ Payroll</li> <li>▪ Timekeeping</li> </ul>	Unknown	2004	No	
<b>HUMAN RIGHTS</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		None				

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**AT STATE AGENCIES**

					<b>HEALTHCARE AND FAMILY SERVICES</b>
<input type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
Yes	Unable to estimate	\$528,068	\$24,363	Very Satisfied	
Did not provide	Unable to estimate	Unknown	Did not provide	Did not provide	
Did not provide	Unable to estimate	Unknown	Did not provide	Did not provide	
Did not provide	Unable to estimate	Unknown	Did not provide	Did not provide	
Did not provide	Unable to estimate	Unknown	Did not provide	Did not provide	
					<b>HISTORIC PRESERVATION AGENCY</b>
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
No	\$2,200	Minimal or none	None	Very Satisfied	
No	\$108,744	\$20,000	Minimal	Satisfied	
					<b>HUMAN RIGHTS</b>
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)		
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	

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**FINANCIAL REPORTING SYSTEMS**

<b>HUMAN SERVICES</b>	<b># of systems:</b>	20				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Timekeeping	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Timekeeping</li> </ul>	1982	N/A	Yes
		Accounts Receivable System (ARS)	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> </ul>	1994	N/A	No
		Consolidated Accounting Reporting System (CARS)	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ Fixed Assets</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> </ul>	1998	N/A	Yes
		Child Care Tracking System (CCTS)	<ul style="list-style-type: none"> <li>▪ Other – payments for childcare</li> </ul>	1994	N/A	No
		Client Payment System (CPS)	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ General Accounting</li> <li>▪ Payroll</li> <li>▪ Other – vouchering</li> </ul>	1985	1998	Did not provide
		Community Reimbursement System (CRS)	<ul style="list-style-type: none"> <li>▪ Other – pay for reported community provider services</li> </ul>	1991	2010	No
		Department's Automated Reporting & Tracking System (DARTS)	<ul style="list-style-type: none"> <li>▪ Other – pay for reported community provider services</li> </ul>	1990	2010	No
		Drugged and Drunk Driving Prevention Fund System (DDDPF)	<ul style="list-style-type: none"> <li>▪ Other – pay for reported community provider services</li> </ul>	2000	2009	No
		Equipment Inventory System (EIS)	<ul style="list-style-type: none"> <li>▪ Inventory</li> </ul>	1989	N/A	No
		Fixed Assets Reporting System	<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> <li>▪ Other – real property</li> </ul>	1981	N/A	No
		Illinois Government Purchasing System (IGPS)	<ul style="list-style-type: none"> <li>▪ Procurement</li> </ul>	1990	N/A	Unknown
		Payroll	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Payroll</li> </ul>	1978	N/A	Yes
		PSMS	<ul style="list-style-type: none"> <li>▪ Budgeting</li> </ul>	1978	N/A	Yes
		Mental Health Inpatient Recipient Reimbursements System (RE2)	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> </ul>	1994	N/A	No
		Reporting of Community Services (ROCS)	<ul style="list-style-type: none"> <li>▪ Other</li> </ul>	1999	2010	N/A
		Trust Fund System	<ul style="list-style-type: none"> <li>▪ Other – holds patient's assets in facility-comingled locally-held funds</li> </ul>	1981	N/A	No
		Warehouse Control System (WCS)	<ul style="list-style-type: none"> <li>▪ Inventory</li> <li>▪ Procurement</li> </ul>	1989	N/A	No



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**AT STATE AGENCIES**

<input type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)		
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>
Yes	Unable to estimate	\$220,000	Did not provide	Satisfied
Yes	Unable to estimate	\$92,310	Did not provide	Neutral
Yes	Unable to estimate	\$1,234,200	Provided but could not calculate	Very Dissatisfied
Yes	Unable to estimate	\$938,112	Did not provide	Neutral
Yes	\$23,400,000	\$438,750	\$195,000	Very Satisfied
Yes	\$327,600	Unknown	None	Very Satisfied
Yes	\$436,800	Unknown	None	Satisfied
Yes	\$6,500	Unknown	None	Satisfied
Yes	Unable to estimate	\$30,834	Did not provide	Dissatisfied/ Very Dissatisfied
Yes	Unable to estimate	\$6,543	Did not provide	Dissatisfied
Yes	Unable to estimate	\$52,080	Did not provide	Neutral/ Dissatisfied
Yes	Unable to estimate	\$180,000	Did not provide	Satisfied
Yes	Unable to estimate	\$90,000	Did not provide	Satisfied
Yes	Unable to estimate	\$33,210	Did not provide	Neutral/ Very Dissatisfied
No	\$87,360	Unknown	None	Very Satisfied
Yes	Unable to estimate	\$65,046	Did not provide	Very Dissatisfied
Yes	Unable to estimate	\$154,896	Did not provide	Very Dissatisfied

HUMAN SERVICES

Append  
**FINANCIAL REPORTING SYSTEMS**

HUMAN SERVICES (Continued)	Other Systems:	Name	Functions Performed	Year Installed	Last Upgraded	GAAP Compliant
		Treasury Services	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Cash</li> </ul>	1981	N/A	No
	SNAP Reconciliation Reporting	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	1979	2010	Did not provide	
	Commodity Control System	<ul style="list-style-type: none"> <li>▪ Inventory</li> </ul>	Did not provide	N/A	Did not provide	

ILLINOIS ARTS COUNCIL	# of systems:	5				
	Common systems:	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	Other Systems:	Name	Functions Performed	Year Installed	Last Upgraded	GAAP Compliant
		Excel	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Fixed Assets</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> <li>▪ Inventory</li> <li>▪ Payroll</li> <li>▪ Timekeeping</li> </ul>	1987	2009	No
		Pearl Grants Management System	<ul style="list-style-type: none"> <li>▪ Grant Accounting</li> </ul>	1987	2009	No
Comptroller's Website		<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> <li>▪ Payroll</li> </ul>	Unknown	Unknown	Yes	

ILLINOIS COMMERCE COMMISSION	# of systems:	14				
	Common systems:	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	Other Systems:	Name	Functions Performed	Year Installed	Last Upgraded	GAAP Compliant
		AIMS	<ul style="list-style-type: none"> <li>▪ Inventory</li> </ul>	1999	2009	Yes
		APMS	<ul style="list-style-type: none"> <li>▪ Payroll</li> </ul>	1988	2009	Yes
		BEARS	<ul style="list-style-type: none"> <li>▪ Cash</li> </ul>	1990	N/A	Yes
		CARMA	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> </ul>	1991	N/A	Yes
		HRIS	<ul style="list-style-type: none"> <li>▪ Payroll</li> <li>▪ Other – personnel file transactions</li> </ul>	1990	2008	Yes
		HRTS	<ul style="list-style-type: none"> <li>▪ Timekeeping</li> </ul>	1990	2009	Yes
		ISL	<ul style="list-style-type: none"> <li>▪ Budgeting</li> </ul>	2002	N/A	Yes
		MCIS	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Other – revenues/ receipts transportation</li> </ul>	1992	2009	Yes
		PAVLog	<ul style="list-style-type: none"> <li>▪ Procurement</li> </ul>	1991	2010	Yes
		PUTT (FIS release I)	<ul style="list-style-type: none"> <li>▪ Other – revenues/ receipts for public utilities/telecom</li> </ul>	1993	2009	Yes

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**AT STATE AGENCIES**

Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	HUMAN SERVICES (Continued)
Yes	\$32,175	\$62	None	Dissatisfied	
Yes	Did not provide	Unknown	Did not provide	Did not provide	
Yes	\$120,000	Did not provide	Did not provide	Dissatisfied	

<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)			ILLINOIS ARTS COUNCIL
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	\$90,000	Minimal or none	Did not provide	Very Satisfied	
No	\$94,000	\$47,000	Did not provide	Satisfied	
No	\$6,500	Minimal or none	\$325	Neutral	

<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)			ILLINOIS COMMERCE COMMISSION
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	\$20,000	\$20,000	None	Satisfied	
No	Minimal	\$20,000	Did not provide	Neutral	
No	\$74,000	\$20,000	Did not provide	Neutral	
No	\$30,000	\$20,000	Did not provide	Neutral	
No	\$47,000	\$20,000	Did not provide	Satisfied	
No	\$145,000	\$20,000	Did not provide	Satisfied	
Yes	\$30,000	\$1,000	Did not provide	Neutral	
No	\$320,000	\$20,000	Did not provide	Neutral	
No	\$65,000	\$20,000	Did not provide	Neutral	
No	\$160,000	\$20,000	Did not provide	Neutral	

Append  
**FINANCIAL REPORTING SYSTEMS**

ICC (Continued)	Other Systems:	Name	Functions Performed	Year Installed	Last Upgraded	GAAP Compliant
		SB 700	<ul style="list-style-type: none"> <li>▪ General Accounting</li> <li>▪ Timekeeping</li> </ul>	2000	N/A	Yes
	WETSA	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	Unknown	Unknown	Yes	
ILLINOIS POWER AGENCY	# of systems:	1				
	Common systems:	<input type="checkbox"/> Accounting Information System (AIS) <input type="checkbox"/> Central Inventory System (CIS)				
	Other Systems:	Name	Functions Performed	Year Installed	Last Upgraded	GAAP Compliant
	IPA General Ledger	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ General Accounting</li> <li>▪ Procurement</li> <li>▪ Timekeeping</li> </ul>	2010	2010	No	
INSURANCE	# of systems:	5				
	Common systems:	<input checked="" type="checkbox"/> Accounting Information System (AIS) <input type="checkbox"/> Central Inventory System (CIS)				
	Other Systems:	Name	Functions Performed	Year Installed	Last Upgraded	GAAP Compliant
		SAMS and Comptroller warehouse	<ul style="list-style-type: none"> <li>▪ Cash</li> <li>▪ Other – reports for receipts and expenses</li> </ul>	1998	Unknown	Unknown
	Excel and Access	<ul style="list-style-type: none"> <li>▪ Other – import payments and receipts for reconciliation</li> </ul>	2003	2007	N/A	
JOINT COMMITTEE ON ADMINISTRATIVE RULES	# of systems:	5				
	Common systems:	<input type="checkbox"/> Accounting Information System (AIS) <input type="checkbox"/> Central Inventory System (CIS)				
	Other Systems:	Name	Functions Performed	Year Installed	Last Upgraded	GAAP Compliant
		GA Accounting System	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	2007	2010	No
		GA Property Control System	<ul style="list-style-type: none"> <li>▪ Inventory</li> </ul>	2006	2010	No
		Microsoft Office Excel 2003	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Timekeeping</li> </ul>	1992	2008	No
	Accounts Receivable	<ul style="list-style-type: none"> <li>▪ Cash</li> </ul>	N/A	N/A	N/A	
JUDICIAL INQUIRY BOARD	# of systems:	2				
	Common systems:	<input checked="" type="checkbox"/> Accounting Information System (AIS) <input type="checkbox"/> Central Inventory System (CIS)				
	Other Systems:	Name	Functions Performed	Year Installed	Last Upgraded	GAAP Compliant
	None					

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**AT STATE AGENCIES**

<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	<b>ICC (Continued)</b>
No	\$4,000	\$20,000	Did not provide	Neutral	
No	\$38,000	\$20,000	Did not provide	Neutral	
<input type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)					<b>ILLINOIS POWER AGENCY</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
No	\$25,750	Minimal or none	\$12,875	Dissatisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>INSURANCE</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
Yes	Unknown	Did not provide	N/A	Very Satisfied	
No	Unknown	Unknown	N/A	Very Satisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)					<b>JOINT COMMITTEE ON ADMINISTRATIVE RULES</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
Yes	Did not provide	Minimal or none	None	Very Satisfied	
Yes	Minimal	Minimal or none	None	Satisfied	
No	\$3,600	Minimal or none	Did not provide	Very Satisfied	
No	Did not provide	Did not provide	Did not provide	Did not provide	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)					<b>JUDICIAL INQUIRY BOARD</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>JUVENILE JUSTICE</b>	<b># of systems:</b>	8				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		SAMS	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> <li>▪ Payroll</li> <li>▪ Procurement</li> <li>▪ Other – statewide reporting</li> </ul>	Unknown	Unknown	No
		Excel Software	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ Fixed Assets</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> <li>▪ Inventory</li> <li>▪ Payroll</li> <li>▪ Timekeeping</li> </ul>	Unknown	Unknown	No
		Fund Accounting Commissary Trading System (FACTS)	<ul style="list-style-type: none"> <li>▪ Other – locally held funds</li> </ul>	1995	Ongoing	No
		DHS Payroll	<ul style="list-style-type: none"> <li>▪ Payroll</li> </ul>	Unknown	Unknown	No
		The Inventory Management System (TIMS)	<ul style="list-style-type: none"> <li>▪ Inventory</li> <li>▪ Other – reconciliations</li> </ul>	2007	Ongoing	No
		Automated Property Control System (APCS)	<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> </ul>	1985	During GASB 34	No
<b>LABOR</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
Internally developed system in FoxPro		<ul style="list-style-type: none"> <li>▪ Cash</li> <li>▪ Inventory</li> <li>▪ Other – preparation of travel vouchers</li> </ul>	1999	2009	No	
<b>LABOR RELATIONS BOARD</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
Mine Inventory		<ul style="list-style-type: none"> <li>▪ General Accounting</li> <li>▪ Inventory</li> </ul>	2008	Ongoing	No	
			2008	N/A	No	

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**AT STATE AGENCIES**

					JUVENILE JUSTICE
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$214,200	Unknown	None	Satisfied	
No	\$714,000	Minimal or none	\$714,000	Satisfied	
Yes	\$1,785,000	Minimal or none	None	Very Satisfied	
No	\$571,200	\$280,000	\$571,200	Satisfied	
No	\$357,000	Minimal or none	None	Very Satisfied	
No	\$357,000	Minimal or none	\$357,000	Dissatisfied	
					LABOR
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	\$250,000	Unknown	\$62,500	Very Dissatisfied	
No	\$250,000	Minimal or none	\$62,500	Very Dissatisfied	
					LABOR RELATIONS BOARD
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	\$10,400	\$240	\$640	Satisfied	
No	\$5,200	Minimal or none	None	Satisfied	

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>LAW ENFORCEMENT TRAINING &amp; STANDARDS BOARD</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
	None					
<b>LEGISLATIVE AUDIT COMMISSION</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		GA Accounting System	▪ General Accounting	2007	2010	No
		GA Property Control System	▪ Fixed Assets ▪ Inventory	2006	2010	No
	Time Entry System (TES)	▪ Timekeeping	2004	2010	No	
<b>LEGISLATIVE ETHICS COMMISSION</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		GA Accounting System	▪ General Accounting	2007	2010	No
		GA Property Control System	▪ Fixed Assets ▪ Inventory	2006	2010	No
	Time Entry System (TES)	▪ Timekeeping	2004	2010	No	
<b>LEGISLATIVE INFORMATION SYSTEM</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		GA Accounting System	▪ Budgeting ▪ General Accounting	2007	2010	No
		GA Property Control System	▪ Inventory	2006	2010	No
	Time Entry System (TES)	▪ Timekeeping	2004	2010	No	
<b>LEGISLATIVE PRINTING UNIT</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		GA Accounting System	▪ General Accounting	2007	2010	No
		GA Property Control System	▪ Fixed Assets ▪ Inventory	2006	2010	No
	Time Entry System (TES)	▪ Timekeeping	2004	2010	No	



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**AT STATE AGENCIES**

					LAW ENFORCEMENT TRAINING & STANDARDS BOARD
<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)			
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
					LEGISLATIVE AUDIT COMMISSION
<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)			
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$1,927	Minimal or none	None	Satisfied	
Yes	\$481	Minimal or none	None	Satisfied	
No	\$964	Minimal or none	None	Satisfied	
					LEGISLATIVE ETHICS COMMISSION
<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)			
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$8,850	Minimal or none	None	Very Satisfied	
Yes	\$1,725	Minimal or none	None	Very Satisfied	
No	\$1,725	Minimal or none	None	Very Satisfied	
					LEGISLATIVE INFORMATION SYSTEM
<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)			
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$62,000	\$15,500	None	Very Satisfied	
Yes	\$10,500	\$8,500	None	Very Satisfied	
No	\$8,400	\$11,500	None	Very Satisfied	
					LEGISLATIVE PRINTING UNIT
<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)			
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$18,900	Minimal or none	None	Very Satisfied	
Yes	\$7,000	Minimal or none	None	Very Satisfied	
No	\$9,100	Minimal or none	None	Very Satisfied	

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>LEGISLATIVE REFERENCE BUREAU</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		GA Accounting System	▪ General Accounting	2007	2010	No
GA Property Control System		▪ Inventory	2006	2010	No	
	Time Entry System (TES)	▪ Timekeeping	2004	2010	No	
<b>LEGISLATIVE RESEARCH UNIT</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		GA Accounting System	▪ General Accounting	2007	2010	No
GA Property Control System		▪ Inventory	2006	2010	No	
	Time Entry System (TES)	▪ Timekeeping	2004	2010	No	
<b>MATHEMATICS AND SCIENCE ACADEMY</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		IMSA Financial System	▪ Accounts Receivable ▪ Budgeting ▪ Cash ▪ Fixed Assets ▪ General Accounting ▪ Grant Accounting ▪ Procurement	2008	2009	Partially
		IMSA Online Timesheet	▪ Timekeeping	2010	2010	Did not provide
Sage Abra HRMS Attendance		▪ Timekeeping	2009	2010	Did not provide	
	VFACS by Industrial Appraisal	▪ Fixed Assets ▪ Inventory	1988	2000	No	
<b>NATURAL RESOURCES</b>	<b># of systems:</b>	17				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
Active Outdoors		▪ Other – license sales	2005	2010	No	
	BCCS Voucher Query	▪ Cash ▪ General Accounting ▪ Grant Accounting ▪ Procurement	Did not provide	Did not provide	No	

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					LEGISLATIVE REFERENCE BUREAU
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$9,406	Minimal or none	None	Very Satisfied	
Yes	\$792	Minimal or none	None	Very Satisfied	
No	\$1,904	Minimal or none	None	Very Satisfied	
					LEGISLATIVE RESEARCH UNIT
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$3,705	Minimal or none	None	Very Satisfied	
Yes	\$524	Minimal or none	None	Very Satisfied	
No	\$5,274	Minimal or none	None	Very Satisfied	
					MATHEMATICS AND SCIENCE ACADEMY
<input checked="" type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	\$2,912,000	\$142,400	\$124,800	Satisfied	
No	\$60,500	\$10,800	\$200	Satisfied	
No	Did not provide	\$4,300	Did not provide	Satisfied	
No	\$33,140	Minimal or none	Minimal	Very Dissatisfied	
					NATURAL RESOURCES
<input type="checkbox"/> Central Payroll System (CPS)			<input type="checkbox"/> Central Time and Attendance System (CTAS)		
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$1,139,968	Unknown	None	Very Satisfied	
No	Unable to estimate	Did not provide	Did not provide	Very Satisfied	

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>NATURAL RESOURCES (Continued)</b>	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		BETS – Budget Expenditure Tracking System	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Other – petty cash and expenditure</li> </ul>	2002	2007	No
		Cash Flows	<ul style="list-style-type: none"> <li>▪ Budgeting</li> </ul>	2005	N/A	No
		CATS – Capital Asset Tracking System	<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> </ul>	2008	2010	No
		Federal Doc Ledgers	<ul style="list-style-type: none"> <li>▪ Cash</li> <li>▪ General Accounting</li> </ul>	unknown	unknown	No
		Fifth Third Bank	<ul style="list-style-type: none"> <li>▪ Other – scans checks</li> </ul>	2010	Did not provide	No
		Inventory – Fisheries	<ul style="list-style-type: none"> <li>▪ Inventory</li> </ul>	Did not provide	Did not provide	No
		Inventory – Law	<ul style="list-style-type: none"> <li>▪ Inventory</li> </ul>	Unknown	Unknown	No
		Inventory	<ul style="list-style-type: none"> <li>▪ Inventory</li> </ul>	Unknown	2009	No
		ORM's – Reserve America	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Cash</li> <li>▪ Other – reporting of camping revenues</li> </ul>	2010	Did not provide	No
		PAS – Programmatic Accounting System	<ul style="list-style-type: none"> <li>▪ Other – cost accounting</li> </ul>	Did not provide	Did not provide	No
		Payroll	<ul style="list-style-type: none"> <li>▪ Payroll</li> </ul>	N/A	N/A	No
		RATS – Revenue Account Tracking System	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Cash</li> </ul>	1998	Did not provide	No
		Timekeeping	<ul style="list-style-type: none"> <li>▪ Timekeeping</li> </ul>	N/A	N/A	No
		Payments Gateway/ACH Direct	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> </ul>	Did not provide	Did not provide	No
<b>OFFICE OF THE ARCHITECT OF THE CAPITOL</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		GA Accounting System	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	2007	2010	No
		GA Property Control System	<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> <li>▪ Inventory</li> </ul>	2006	2010	No
	Time Entry System (TES)	<ul style="list-style-type: none"> <li>▪ Timekeeping</li> </ul>	2004	2010	No	
<b>OFFICE OF THE INSPECTOR GENERAL</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Fixed Assets	<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> </ul>	2004	2009	N/A
	P.O. Tracking	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ General Accounting</li> </ul>	2004	2009	N/A	

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<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	<b>NATURAL RESOURCES (Continued)</b>
No	\$720,000	\$5,564	Did not provide	Satisfied	
No	\$17,500	Unknown	Did not provide	Satisfied	
No	\$55,000	\$12,300	None	Satisfied	
No	\$90,000	Unknown	Unknown	Dissatisfied	
No	\$35,220	\$1,034	Did not provide	Very Satisfied	
No	\$15,912	Did not provide	None	Very Satisfied	
No	\$2,127	Unknown	None	Very Satisfied	
No	\$55,965	Unknown	None	Neutral	
No	\$5,870	\$86,649	Provided but could not calculate	Neutral	
Yes	\$125,000	Did not provide	\$125,000	Dissatisfied	
Yes	\$108,000	N/A	None	Neutral	
No	\$70,440	Minimal or none	\$15,653	Satisfied	
No	\$630,000	N/A	None	Very Dissatisfied	
No	\$2,935	Minimal or none	Provided but could not calculate	Satisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)					<b>OFFICE OF THE ARCHITECT OF THE CAPITOL</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
Yes	\$2,775	Minimal or none	None	Very Satisfied	
Yes	\$330	Minimal or none	None	Very Satisfied	
No	\$555	Minimal or none	None	Very Satisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>OFFICE OF THE INSPECTOR GENERAL</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
No	\$45,262	\$1,650	None	Satisfied	
No	\$24,720	\$1,647	None	Satisfied	

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**FINANCIAL REPORTING SYSTEMS**

<b>OFFICE OF THE STATE APPELLATE DEFENDER</b>	<b># of systems:</b>	6				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Aestiva Purchase Order & Asset System	<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> <li>▪ Procurement</li> </ul>	2009	2010	Unknown
		Budgeting	<ul style="list-style-type: none"> <li>▪ Budgeting</li> </ul>	2006	2010	Did not provide
		Quicken	<ul style="list-style-type: none"> <li>▪ Cash</li> <li>▪ Grant Accounting</li> </ul>	2001	2001	No
Kronos Timekeeping		<ul style="list-style-type: none"> <li>▪ Timekeeping</li> </ul>	2007	2008	No	
<b>OFFICE OF THE STATE FIRE MARSHAL</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		SAMS	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> <li>▪ Payroll</li> <li>▪ Procurement</li> <li>▪ Other – statewide reporting</li> </ul>	unknown	unknown	No
Excel and Access software	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ Fixed Assets</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> <li>▪ Inventory</li> <li>▪ Payroll</li> <li>▪ Timekeeping</li> </ul>	unknown	unknown	No		
<b>OFFICE OF THE STATE'S ATTORNEYS APPELLATE PROSECUTOR</b>	<b># of systems:</b>	7				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
QuattroPro/Excel	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> <li>▪ Inventory</li> <li>▪ Payroll</li> </ul>	2000	2010	No		

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<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)			<b>OFFICE OF THE STATE APPELLATE DEFENDER</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
No	\$27,300	\$24,388	Did not provide	Very Satisfied	
No	\$6,600	Minimal or none	Did not provide	Very Satisfied	
No	\$1,000	Minimal or none	Did not provide	Satisfied	
No	\$1,000	\$5,600	Did not provide	Very Satisfied	

<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)			<b>OFFICE OF THE STATE FIRE MARSHAL</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
Yes	\$142,800	Unknown	None	Satisfied	
No	\$214,200	Minimal or none	\$214,200	Satisfied	

<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)			<b>OFFICE OF THE STATE'S ATTORNEYS APPELLATE PROSECUTOR</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
No	\$19,700	Minimal or none	\$6,374	Neutral	

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**FINANCIAL REPORTING SYSTEMS**

<b>OFFICE OF THE STATE'S ATTORNEYS APPELLATE PROSECUTOR (Continued)</b>	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Quickbooks	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Cash</li> </ul>	2008	2008	No
		TimeKron	<ul style="list-style-type: none"> <li>▪ Timekeeping</li> </ul>	2010	2010	No
		Access	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Cash</li> </ul>	2002	2002	No
<b>POLLUTION CONTROL BOARD</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS) <input type="checkbox"/> Central Inventory System (CIS)				
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Microsoft Access – Receipts Database	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Cash</li> </ul>	1990	2008	Yes
	Microsoft Excel – Fixed Assets – Inventory	<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> <li>▪ Inventory</li> </ul>	1980	2008	Yes	
<b>PRISONER REVIEW BOARD</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS) <input type="checkbox"/> Central Inventory System (CIS)				
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		SAMS	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> <li>▪ Payroll</li> <li>▪ Procurement</li> <li>▪ Other – statewide reporting</li> </ul>	Unknown	Unknown	No
Automated Property Control System (APCS)		<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> </ul>	1985	During GASB 34	No	
	Excel and Access software	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ Fixed Assets</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> <li>▪ Inventory</li> <li>▪ Payroll</li> <li>▪ Timekeeping</li> </ul>	Unknown	Unknown	No	



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<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	<b>OFFICE OF THE STATES ATTORNEYS APPELLATE PROSECUTOR (Continued)</b>
No	\$3,500	Minimal or none	\$3,500	Neutral	
No	\$2,750	Minimal or none	\$2,750	Neutral	
No	\$9,300	Minimal or none	\$5,073	Neutral	
<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)			<b>POLLUTION CONTROL BOARD</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
No	\$14,000	Unknown	None	Satisfied	
No	\$14,000	Unknown	None	Neutral	
<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)			<b>PRISONER REVIEW BOARD</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
Yes	\$142,800	Unknown	None	Satisfied	
No	\$71,400	Minimal or none	\$71,400	Dissatisfied	
No	\$71,400	Minimal or none	\$71,400	Satisfied	

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**FINANCIAL REPORTING SYSTEMS**

<b>PROCUREMENT POLICY BOARD</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
	Access	▪ Inventory	2005	2008	No	
<b>PROPERTY TAX APPEAL BOARD</b>	<b># of systems:</b>	3				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
	None					
<b>PUBLIC HEALTH</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
	Cash Book	▪ Cash ▪ General Accounting ▪ Grant Accounting	1990	Unknown	Yes	
<b>RACING BOARD</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
	SAMS/Comptroller Warehouse	▪ Cash	1998	Unknown	Unknown	
	Excel and Access	▪ Other – daily receipts; import payments and receipts for reconciliation purposes	2003	2007	N/A	
<b>REVENUE</b>	<b># of systems:</b>	9				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		SAMS and Comptroller warehouse	▪ Cash ▪ Other – reports for receipts and expenses	1998	Unknown	Unknown
	CAS - Consolidated Accounting System	▪ Cash ▪ General Accounting	1994	2010	No	
	Excel and Access	▪ Other – Import data, payments and receipts, internal reporting.	N/A	Office 2007	N/A	

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<input checked="" type="checkbox"/> Central Payroll System (CPS)					<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>PROCUREMENT POLICY BOARD</b>
<b>Interface with Other Systems</b>		<b>Cost of Using the System</b>		<b>Cost to Maintain System</b>		<b>Cost of Duplicated Data Entry</b>		<b>How Satisfied are you with the System</b>		
No		Did not provide		Minimal or none		None		Very Satisfied		
<input checked="" type="checkbox"/> Central Payroll System (CPS)					<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>PROPERTY TAX APPEAL BOARD</b>
<b>Interface with Other Systems</b>		<b>Cost of Using the System</b>		<b>Cost to Maintain System</b>		<b>Cost of Duplicated Data Entry</b>		<b>How Satisfied are you with the System</b>		
<input checked="" type="checkbox"/> Central Payroll System (CPS)					<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>PUBLIC HEALTH</b>
<b>Interface with Other Systems</b>		<b>Cost of Using the System</b>		<b>Cost to Maintain System</b>		<b>Cost of Duplicated Data Entry</b>		<b>How Satisfied are you with the System</b>		
No		\$50,000		\$20,000		\$9,000		Neutral		
<input checked="" type="checkbox"/> Central Payroll System (CPS)					<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>RACING BOARD</b>
<b>Interface with Other Systems</b>		<b>Cost of Using the System</b>		<b>Cost to Maintain System</b>		<b>Cost of Duplicated Data Entry</b>		<b>How Satisfied are you with the System</b>		
No		Unable to estimate		Did not provide		N/A		Very Satisfied		
No		Unable to estimate		Unknown		N/A		Very Satisfied		
<input checked="" type="checkbox"/> Central Payroll System (CPS)					<input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>REVENUE</b>
<b>Interface with Other Systems</b>		<b>Cost of Using the System</b>		<b>Cost to Maintain System</b>		<b>Cost of Duplicated Data Entry</b>		<b>How Satisfied are you with the System</b>		
Yes		N/A		Did not provide		N/A		Satisfied		
Yes		\$392,000		\$21,000		None		Neutral		
No		\$30,000		Minimal or none		N/A		Neutral		

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**FINANCIAL REPORTING SYSTEMS**

REVENUE (Continued)	Other Systems:	Name	Functions Performed	Year Installed	Last Upgraded	GAAP Compliant
		Gen Tax	▪ Accounts Receivable	2007	2009	No
	PC 2	▪ Fixed Assets ▪ Inventory	2006	2009	Yes	
	RCA - Remittance Clearing Account	▪ Other – database for inputting of remittances received	1993	2010	No	
SECRETARY OF STATE	# of systems:	5				
	Common systems:	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	Other Systems:	Name	Functions Performed	Year Installed	Last Upgraded	GAAP Compliant
		Accounting & Budget (AB) System	▪ Budgeting ▪ Cash ▪ General Accounting ▪ Grant Accounting ▪ Procurement	1989	FY10	Unknown
		Property Control	▪ Fixed Assets ▪ Inventory	Unknown	FY10	Unknown
		Time and Attendance System	▪ Timekeeping	Unknown	FY10	Unknown
RUSAS	▪ Cash ▪ Other – receipts processing	1995	No major updates	Unknown		
SEX OFFENDER MANAGEMENT BOARD	# of systems:	4				
	Common systems:	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	Other Systems:	Name	Functions Performed	Year Installed	Last Upgraded	GAAP Compliant
		FileMaker	▪ Cash ▪ General Accounting ▪ Grant Accounting	Unknown	None	No
	Microsoft Excel	▪ Budgeting ▪ Fixed Assets	Unknown	2010	No	
STATE BOARD OF EDUCATION	# of systems:	8				
	Common systems:	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	Other Systems:	Name	Functions Performed	Year Installed	Last Upgraded	GAAP Compliant
		MIDAS - Management Information Database Accounting System	▪ Budgeting ▪ Cash ▪ General Accounting ▪ Grant Accounting ▪ Procurement	1994	2003	No
	CRS - Cash Receipts System	▪ Cash	1998	2003	No	

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<b>Interface with Other Systems</b>					<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	<b>REVENUE (Continued)</b>
No					\$100,000	\$350,439	Minimal	Very Satisfied	
Yes					\$117,000	\$57,000	None	Very Satisfied	
Yes					\$7,500	\$21,000	None	Neutral	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)									
<b>Interface with Other Systems</b>					<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	<b>SECRETARY OF STATE</b>
Yes					\$6,000,000	\$150,000	Minimal	Satisfied	
Yes					\$2,852,500	\$150,000	None	Satisfied	
Yes					\$3,260,000	Unknown	None	Satisfied	
Yes					\$2,037,500	\$125,000	Provided but could not calculate	Satisfied	
<input type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)									
<b>Interface with Other Systems</b>					<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	<b>SEX OFFENDER MANAGEMENT BOARD</b>
No					Minimal	Minimal or none	None	Very Satisfied	
No					Minimal	Minimal or none	N/A	Both Satisfied and Dissatisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)									
<b>Interface with Other Systems</b>					<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	<b>STATE BOARD OF EDUCATION</b>
Yes					\$363,000	\$14,520	None	Satisfied	
Yes					\$63,000	\$12,600	None	Satisfied	

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>STATE BOARD OF EDUCATION (Continued)</b>		<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
	<b>Other Systems:</b>	Financial Reimbursement Information System (FRIS)	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> </ul>	1995	2003	No
		Cost Allocation Tracking System (CATS)	<ul style="list-style-type: none"> <li>▪ Grant Accounting</li> <li>▪ Other – time distribution &amp; tracking</li> </ul>	2003	N/A	N/A
		Attendance System	<ul style="list-style-type: none"> <li>▪ Timekeeping</li> </ul>	1994	1997	N/A
		Human Resources Management System (HRMS)	<ul style="list-style-type: none"> <li>▪ Payroll</li> <li>▪ Timekeeping</li> </ul>	1995	2003	No
		Property Control System	<ul style="list-style-type: none"> <li>▪ Inventory</li> </ul>	1980	2010	No
<b>STATE BOARD OF ELECTIONS</b>	<b># of systems:</b>	5				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS) <input type="checkbox"/> Central Inventory System (CIS)				
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Excel – expenditure ledger & financial statements	<ul style="list-style-type: none"> <li>▪ Cash</li> <li>▪ General Accounting</li> </ul>	2002	2009	No
	SBE Property Control System	<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> </ul>	2000	2010	No	
<b>STATE BOARD OF INVESTMENT</b>	<b># of systems:</b>	1				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS) <input type="checkbox"/> Central Inventory System (CIS)				
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
Sage MAS 90 General Ledger		<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ Fixed Assets</li> <li>▪ General Accounting</li> <li>▪ Payroll</li> </ul>	1996	In process	Yes	
<b>STATE EMPLOYEES' RETIREMENT SYSTEM</b>	<b># of systems:</b>	11				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS) <input type="checkbox"/> Central Inventory System (CIS)				
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Cash Receipts	<ul style="list-style-type: none"> <li>▪ Cash</li> </ul>	2004	2004	Yes
		Accounts Receivable	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> </ul>	2004	2004	Yes
		Benefit Payments (Vouchering)	<ul style="list-style-type: none"> <li>▪ Other – benefit payments</li> </ul>	2004	2004	Yes
		Budget Tracking	<ul style="list-style-type: none"> <li>▪ Budgeting</li> </ul>	2004	2004	Yes
		Equipment Inventory	<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> </ul>	2004	2004	Yes
General Ledger	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	2003	2009	Yes		

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**AT STATE AGENCIES**

					STATE BOARD OF EDUCATION (Continued)
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$1,101,000	\$90,000	None	Very Satisfied	
Yes	\$14,300	\$10,725	None	Neutral	
Yes	\$175,000	\$9,052	Did not provide	Did not provide	
Yes	\$63,800	\$40,295	Did not provide	Did not provide	
No	\$63,000	\$12,600	None	Satisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					STATE BOARD OF ELECTIONS
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
No	\$150,000	\$18,000	Minimal	Satisfied	
No	Minimal	Minimal or none	N/A	Satisfied	
<input type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)					STATE BOARD OF INVESTMENT
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$140,000	\$3,200	\$14,000	Very Satisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)					STATE EMPLOYEES' RETIREMENT SYSTEM
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$100,000	\$3,635	Minimal	Satisfied	
Yes	\$100,000	\$4,035	Minimal	Satisfied	
No	\$450,000	\$3,635	Minimal	Satisfied	
No	\$40,000	\$3,635	Minimal	Satisfied	
No	\$10,000	N/A	Minimal	Neutral	
No	\$10,000	\$2,970	None	Very Satisfied	

Append  
**FINANCIAL REPORTING SYSTEMS**

STATE EMPLOYEES' RETIREMENT SYSTEM (Cont.)		<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>	
<b>Other Systems:</b>		Payroll Edit & Posting	<ul style="list-style-type: none"> <li>▪ Other – processing and posting of payroll retirement contributions to members' accounts</li> </ul>	1980	2010	Yes	
		Refund payments (Vouchering)	<ul style="list-style-type: none"> <li>▪ Other – vouchering refund payments</li> </ul>	2004	2004	Yes	
		Service Purchase	<ul style="list-style-type: none"> <li>▪ Other – purchase of optional retirement service credit</li> </ul>	2004	2010	Yes	
<b>STATE POLICE</b>	<b># of systems:</b>	10					
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)			
	<b>Other Systems:</b>		<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
			AR - Accounts Receivable	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> </ul>	1997	N/A	No
			COD - Contract Obligation Document	<ul style="list-style-type: none"> <li>▪ Procurement</li> </ul>	Did not provide	Did not provide	N/A
			Fiscal Internal System for Cost Accounting and Ledgering (FISCAL)	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	1979	N/A	No
			GLIS - General Ledger Inquiry System	<ul style="list-style-type: none"> <li>▪ General Accounting</li> <li>▪ Grant Accounting</li> </ul>	1995	N/A	No
			MCM Property Control	<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> <li>▪ Inventory</li> </ul>	2002	None	Yes
			RECEIPTS	<ul style="list-style-type: none"> <li>▪ Other – incoming receipts log</li> </ul>	1997	N/A	No
			Timekeeping	<ul style="list-style-type: none"> <li>▪ Timekeeping</li> </ul>	1979	N/A	No
		Uniform Inventory System (UIS)	<ul style="list-style-type: none"> <li>▪ Inventory</li> </ul>	1993	N/A	No	
	Warrants Accounting for Governmental Employees (WAGE)	<ul style="list-style-type: none"> <li>▪ Payroll</li> </ul>	1992	N/A	No		
<b>STATE POLICE MERIT BOARD</b>	<b># of systems:</b>	3					
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)			
	<b>Other Systems:</b>		<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Microsoft Excel	<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ General Accounting</li> <li>▪ Timekeeping</li> </ul>	1991	2005	Yes	
	PANARAMA	<ul style="list-style-type: none"> <li>▪ General Accounting</li> <li>▪ Inventory</li> </ul>	1991	2005	Yes		



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**AT STATE AGENCIES**

<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	<b>STATE EMPLOYEES' RETIREMENT SYSTEM (Cont.)</b>
Yes	\$300,000	\$2,200	Minimal	Neutral	
No	\$150,000	\$3,635	Minimal	Satisfied	
Yes	\$200,000	\$3,635	Minimal	Neutral	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)					<b>STATE POLICE</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
No	N/A	\$11,637	Did not provide	Dissatisfied	
No	N/A	\$11,637	Did not provide	Neutral	
Yes	N/A	\$65,685	None	Very Dissatisfied	
Yes	N/A	\$11,637	Did not provide	Dissatisfied	
No	N/A	Did not provide	Did not provide	Neutral	
No	N/A	\$11,637	Did not provide	Dissatisfied	
Yes	N/A	\$131,370	None	Dissatisfied	
No	\$156,127	\$65,685	None	Neutral	
Yes	N/A	\$131,370	None	Satisfied	
<input type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)					<b>STATE POLICE MERIT BOARD</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
No	Unable to estimate	Did not provide	Did not provide	Very Satisfied	
No	Unable to estimate	Did not provide	Did not provide	Very Satisfied	

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>STATE UNIVERSITIES CIVIL SERVICE SYSTEM</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Inventory Data Base	▪ Inventory	2005	2008	No
	Timekeeping	▪ Timekeeping	Did not provide	Did not provide	No	
<b>STATE UNIVERSITIES RETIREMENT SYSTEM</b>	<b># of systems:</b>	2				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		SURS Custom Designed IS	▪ Cash ▪ Other – contribution processing/member account balance maintenance; benefit calculation; benefit payments	1998	Ongoing	N/A
	Timberline Financial System	▪ Accounts Receivable ▪ Cash ▪ Fixed Assets ▪ General Accounting ▪ Payroll ▪ Other – admin/ investment exp; accounts payable	1994	2010	No	
<b>STUDENT ASSISTANCE COMMISSION</b>	<b># of systems:</b>	3				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
Fundware		▪ Budgeting ▪ General Accounting ▪ Grant Accounting	1995	2010	Yes	

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**AT STATE AGENCIES**

<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)		
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>
No	\$5,000	Minimal or none	Did not provide	Very Satisfied
No	\$9,700	Minimal or none	Did not provide	Very Satisfied

STATE UNIVERSITIES CIVIL SERVICE SYSTEM

<input type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)		
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>
Yes	\$3,100,000	\$2,268,000	Minimal	Very Satisfied
Yes	\$250,000	\$55,000	None	Very Satisfied

STATE UNIVERSITIES RETIREMENT SYSTEM

<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)		
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>
Yes	\$700,000	\$30,000	Did not provide	Satisfied

STUDENT ASSISTANCE COMMISSION

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>TEACHERS' RETIREMENT SYSTEM</b>	<b># of systems:</b>	5					
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)			
	<b>Other Systems:</b>		<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		STAR	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Cash</li> <li>▪ Other – cash disbursements</li> </ul>	2003	2007	No	
		Microsoft Dynamics	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	1985	2003	Yes	
		Excel	<ul style="list-style-type: none"> <li>▪ Other – generates financial statements</li> </ul>	1996	2010	N/A	
TRS Systems		<ul style="list-style-type: none"> <li>▪ Budgeting</li> <li>▪ Fixed Assets</li> <li>▪ Payroll</li> <li>▪ Procurement</li> <li>▪ Timekeeping</li> <li>▪ Other – cash disbursements</li> </ul>	1998	2003	No		
<b>TRANSPORTATION</b>	<b># of systems:</b>	9					
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)			
	<b>Other Systems:</b>		<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Fiscal Operations and Administration (FOA)	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	1997	Did not provide	No	
		Accounting and Management System (AMI)	<ul style="list-style-type: none"> <li>▪ Other – generates expenditure and obligation files daily for submittal to IOC</li> </ul>	1985	1997	No	
		Miscellaneous Collections Receivable System (ARM)	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> </ul>	1994	Did not provide	No	
		Accounts Receivable (ARS)	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> </ul>	1994	Did not provide	No	
		Budget Development and Analysis (BDA)	<ul style="list-style-type: none"> <li>▪ Budgeting</li> </ul>	1999	Did not provide	Did not provide	
		Integrated Payroll Management (IPM)	<ul style="list-style-type: none"> <li>▪ Payroll</li> </ul>	1980	Did not provide	No	
		Time Keeping System (TKS)	Did not provide	Did not provide	Did not provide	Did not provide	
Time Keeping Reporting (TKR)		Did not provide	Did not provide	Did not provide	Did not provide		

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**AT STATE AGENCIES**

<input checked="" type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)					<b>TEACHERS' RETIREMENT SYSTEM</b>
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	\$798,377	\$898,790	None	Very Satisfied	
Yes	\$364	\$3,296	\$208	Satisfied	
Yes	\$208	Minimal or none	None	Very Satisfied	
Yes	\$120,342	\$125	None	Very Satisfied	

<input type="checkbox"/> Central Payroll System (CPS) <input type="checkbox"/> Central Time and Attendance System (CTAS)					<b>TRANSPORTATION</b>
Interface with Other Systems	Cost of Using the System	Cost to Maintain System	Cost of Duplicated Data Entry	How Satisfied are you with the System	
Yes	Unable to estimate	\$153,290	Provided but could not calculate	Both Very Satisfied and Neutral	
Yes	Unable to estimate	\$7,292	Did not provide	Dissatisfied	
Yes	Unable to estimate	\$1,507	Provided but could not calculate	Dissatisfied	
Yes	Unable to estimate	\$5,194	Provided but could not calculate	Dissatisfied	
Yes	Did not provide	\$9,173	Did not provide	Neutral	
Yes	\$351,936	\$11,550	None	Very Satisfied	
Did not provide	Did not provide	Did not provide	Did not provide	Did not provide	
Did not provide	Did not provide	Did not provide	Did not provide	Did not provide	

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>TREASURER</b>	<b># of systems:</b>	39				
	<b>Common systems:</b>	<input type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Access	<ul style="list-style-type: none"> <li>▪ General Accounting</li> <li>▪ Other – reconciliation</li> </ul>	Unknown	N/A	No
		Asset Win – Crystal Reports	<ul style="list-style-type: none"> <li>▪ Fixed Assets</li> <li>▪ Inventory</li> </ul>	2004	2010	No
		Estate Tax	<ul style="list-style-type: none"> <li>▪ Other – estate tax transactions</li> </ul>	2002	2010	No
		Acct. – Excel	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ Fixed Assets</li> <li>▪ General Accounting</li> <li>▪ Other – reconciliations, financial statements, reporting</li> </ul>	Unknown	N/A	No
		Filemaker Pro – Vouchering	<ul style="list-style-type: none"> <li>▪ Other – voucher and obligation preparation</li> </ul>	1992	N/A	No
		Interest Allocation	<ul style="list-style-type: none"> <li>▪ Other – interest allocation</li> </ul>	1988	2010	No
		Investment System	<ul style="list-style-type: none"> <li>▪ Other – investments</li> </ul>	1994	2010	No
		Receipt Tracking System (RTS)	<ul style="list-style-type: none"> <li>▪ Other – ties unclaimed property receipts to drafts</li> </ul>	2005	2006	No
		TIS – Circuit Clerk	<ul style="list-style-type: none"> <li>▪ Other – receipt processing for circuit clerk receipts</li> </ul>	2007	2010	No
		TIS – General Ledger/Accounting	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	2007	2010	No
		TIS – Protest	<ul style="list-style-type: none"> <li>▪ Other – management of taxes paid under protest</li> </ul>	2006	2010	No
		UPS2000 (Wagers) – Accounting	<ul style="list-style-type: none"> <li>▪ Other – entry of unclaimed property receipts, report generation for shares reconciliation, entry of notes</li> </ul>	2001	2010	No
		Bloomberg Banking	<ul style="list-style-type: none"> <li>▪ Other – used to price collateral for time deposits and investments</li> </ul>	1991	Unknown	No
		Mainframe Investments	<ul style="list-style-type: none"> <li>▪ Other – investment tracking and reporting</li> </ul>	1993	2010	No
		Mainframe – Time Deposit	<ul style="list-style-type: none"> <li>▪ Other – monitoring of time deposits</li> </ul>	1991	2010	No

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**AT STATE AGENCIES**

<input checked="" type="checkbox"/> Central Payroll System (CPS)		<input type="checkbox"/> Central Time and Attendance System (CTAS)		
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>
No	\$20,494	\$5,559	\$20,494	Neutral
No	\$42,821	\$7,884	None	Satisfied
No	\$41,225	\$23,826	None	Neutral
No	\$244,676	\$5,559	\$171,273	Dissatisfied
Yes	\$117,261	\$5,559	\$35,178	Dissatisfied
Yes	\$19,867	\$23,826	\$9,934	Dissatisfied
Yes	\$6,784	\$23,826	\$339	Neutral
Yes	\$3,395	Minimal or none	\$340	Neutral
Yes	\$31,044	\$15,884	None	Satisfied
Yes	\$100,987	\$15,884	\$10,099	Satisfied
No	\$13,020	\$15,884	\$651	Satisfied
Yes	\$91,948	Minimal or none	None	Satisfied
Yes	\$49,241	\$39,514	None	Neutral
Yes	\$73,334	\$23,826	None	Dissatisfied
Yes	\$40,175	\$23,826	None	Neutral

TREASURER

Append  
**FINANCIAL REPORTING SYSTEMS**

		<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
<b>TREASURER (Continued)</b>	<b>Other Systems:</b>	TIS Banking	▪ General Accounting	2007	2010	No
		TIS Clearing	▪ Accounts Receivable ▪ Cash ▪ General Accounting	2007	2010	No
		TIS Investments	▪ Other – investment tracking and reporting	2007	2010	No
		TradeWeb	▪ Other – online trading system with approved and participating investment partners	2009	Unknown	No
		Banking Access Databases	▪ Accounts Receivable ▪ Cash ▪ Inventory ▪ Other – tracks information related to GO bonds, various linked deposit programs, and other financial information	Unknown	N/A	No
		Banking - Excel Spreadsheets	▪ Accounts Receivable ▪ Cash ▪ Other – RFP cost structures, GO bond analysis, investment analysis, exports from other systems, etc.	Unknown	N/A	No
		College Savings Excel	▪ Budgeting	Unknown	N/A	No
		HR Access Database	▪ Other – contractual employee information	Unknown	N/A	No
		Mainframe – Attendance	▪ Timekeeping	1990	2010	No
		HR Excel Database	▪ Other – employee information	Unknown	N/A	No
		FileMaker Pro	▪ Other – employee information	Unknown	Unknown	No
		Illinois Funds Access	▪ Other – track participants' information	Unknown	N/A	No
		Illinois Funds Excel	▪ Budgeting ▪ General Accounting	Unknown	N/A	No
		Portfolio Excel	▪ Cash	Unknown	N/A	No
		Portfolio Bloomberg	▪ Other – Investments	1990	2010	No
		Portfolio QED	▪ Other – Investments	1996	2010	No
		Portfolio Tradeweb	▪ Other – Investments	2010	2010	No
		Filemaker Pro – Procurement	▪ Procurement	2000	Unknown	No
		UP Excel	▪ General Accounting ▪ Inventory ▪ Other – reconciliations between Wagers and Custody Accounts	Unknown	N/A	No



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**AT STATE AGENCIES**

<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>
Yes	\$57,347	\$15,884	None	Satisfied
Yes	\$164,481	\$15,884	None	Satisfied
Yes	\$12,201	\$15,884	None	Satisfied
No	\$32,094	Minimal or none	None	Neutral
No	\$148,678	\$5,559	None	Satisfied
No	\$461,597	\$5,559	None	Neutral
No	\$7,861	\$5,559	Minimal	Satisfied
No	\$7,635	\$5,559	None	Neutral
No	\$78,932	\$23,826	None	Neutral
No	\$1,831	\$5,559	None	Neutral
No	\$64,663	\$5,559	None	Dissatisfied
No	\$25,072	\$5,559	None	Very Satisfied
No	\$109,553	\$5,559	\$5,478	Very Satisfied
No	\$29,322	Minimal or none	Minimal	Very Satisfied
No	\$14,337	\$39,160	None	Very Satisfied
No	\$23,507	\$6,927	None	Very Satisfied
No	\$784	\$15,400	None	Very Satisfied
No	\$5,798	\$5,559	\$116	Satisfied
No	\$17,352	\$5,559	None	Satisfied

**TREASURER**  
 (Continued)

Append  
**FINANCIAL REPORTING SYSTEMS**

<b>TREASURER (Continued)</b>	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
		Wagers Unclaimed Property System 2000	<ul style="list-style-type: none"> <li>▪ General Accounting</li> <li>▪ Inventory</li> <li>▪ Other – database management system for tracking unclaimed property receipts and payments</li> </ul>	2001	2010	No
		Workbench	<ul style="list-style-type: none"> <li>▪ General Accounting</li> <li>▪ Inventory</li> <li>▪ Other – records transactions in our unclaimed property securities custodial account</li> </ul>	2004	2010	No
		TIS / Warrant	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	2007	2010	No
		Warrant Processing System (WPS)	<ul style="list-style-type: none"> <li>▪ General Accounting</li> </ul>	1998	2010	No
<b>VETERANS' AFFAIRS</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
	None					
<b>VIOLENCE PREVENTION AUTHORITY</b>	<b># of systems:</b>	4				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input checked="" type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
	None					
<b>WORKERS' COMPENSATION COMMISSION</b>	<b># of systems:</b>	6				
	<b>Common systems:</b>	<input checked="" type="checkbox"/> Accounting Information System (AIS)		<input type="checkbox"/> Central Inventory System (CIS)		
	<b>Other Systems:</b>	<b>Name</b>	<b>Functions Performed</b>	<b>Year Installed</b>	<b>Last Upgraded</b>	<b>GAAP Compliant</b>
	Access databases Spreadsheets Paper ledgers	<ul style="list-style-type: none"> <li>▪ Accounts Receivable</li> <li>▪ Budgeting</li> <li>▪ Cash</li> <li>▪ Fixed Assets</li> <li>▪ General Accounting</li> <li>▪ Inventory</li> <li>▪ Payroll</li> <li>▪ Procurement</li> <li>▪ Timekeeping</li> </ul>	Unknown	Ongoing	No	

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**AT STATE AGENCIES**

<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
No	\$1,174,807	\$129,640	None	Satisfied	<b>TREASURER (Continued)</b>
No	\$21,293	\$250	Provided but could not calculate	Satisfied	
Yes	\$690	\$15,884	None	Very Satisfied	
Yes	\$430,960	\$23,826	Unknown	Satisfied	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>VETERANS' AFFAIRS</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>VIOLENCE PREVENTION AUTHORITY</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
<input checked="" type="checkbox"/> Central Payroll System (CPS) <input checked="" type="checkbox"/> Central Time and Attendance System (CTAS)					<b>WORKERS' COMPENSATION COMMISSION</b>
<b>Interface with Other Systems</b>	<b>Cost of Using the System</b>	<b>Cost to Maintain System</b>	<b>Cost of Duplicated Data Entry</b>	<b>How Satisfied are you with the System</b>	
Yes	\$500,000	\$720,000	\$400,000	Very Dissatisfied	

Source: OAG analysis of agency survey responses.



## **APPENDIX D**

# **Agency Responses Regarding the Year End GAAP Conversion Process**

Appendix  
**AGENCY RESPONSES REGARDING THE**

Agency	Do systems allow you to complete GAAP reporting packages timely?	Cost of agency fiscal staff doing the GAAP conversion process:	Using Consultants to provide assistance in financial reporting/GAAP package preparation		How satisfied are you with the year end conversion process?
			Do you contract with consultants?	FY10 Expenditures:	
Aging	Yes	\$12,000	Yes	None in FY10	Dissatisfied
Agriculture	Yes	\$14,000	Yes	\$21,600	Satisfied
Attorney General	Yes	\$95,500	Yes	\$3,488	Neutral
Auditor General	Yes	\$9,000	No	N/A	Dissatisfied
Board of Higher Education	Yes	\$4,500	No	N/A	Neutral
Capital Development Board	Yes	\$14,000	No	N/A	Very Satisfied
Central Management Services	Yes	\$36,000	Yes	\$12,000	Neutral
Children and Family Services	No	\$43,440	No	N/A	Dissatisfied
Civil Service Commission	Yes	N/A	No	N/A	Neutral
Commerce and Economic Opportunity	Yes	\$15,000	No	N/A	Satisfied
Commission on Human Rights	Yes	N/A	No	N/A	Satisfied
Community College Board	No	None	Yes	\$5,000	Satisfied
Comptroller	Yes	\$17,700	No	N/A	Satisfied
Corrections	Yes	\$357,000	Yes	\$500,000	Neutral
Council on Develop. Disabilities	Yes	\$1,405	No	N/A	Neutral
Court of Claims	Yes	Did not provide	No	N/A	Satisfied
Criminal Justice Information Authority	Yes	\$172,800	No	N/A	Dissatisfied
Deaf and Hard of Hearing Commission	Prepared by the Comptroller	N/A	No	N/A	N/A
Drycleaner Environ. Response Fund	Yes	N/A	No	N/A	Very Satisfied
Educational Labor Relations Board	Yes	None	Yes	\$1,300	Very Satisfied
Emergency Management Agency	No	\$7,500	No	N/A	Neutral
Employment Security	Yes	\$100,000	No	N/A	Satisfied
Environmental Protection Agency	Yes	\$140,000	Yes	\$59,177	Satisfied

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**YEAR END GAAP CONVERSION PROCESS**

<b>Has staffing impacted your ability to complete year-end reporting in a timely and accurate manner?</b>		<b>Does the personnel system impede your ability to hire qualified staff?</b>	<b>Would additional training from the Comptroller on GAAP reporting be beneficial?</b>	<b>Staff hours saved with a new financial reporting system:</b>	<b>Agency</b>
<b>Lack of staff?</b>	<b>Lack of trained staff?</b>				
Yes	Yes	Yes	Yes	162.5	Aging
No	No	No	No	Did not provide	Agriculture
No	Yes	No	No	1040	Attorney General
No	No	N/A	No	200	Auditor General
No	No	No	No	115	Board of Higher Education
No	No	No	No	None	Capital Development Board
Yes	Yes	Yes	Yes	Unknown	Central Management Services
Yes	Yes	Yes	Yes	None	Children and Family Services
Yes	Yes	Yes	Yes	N/A	Civil Service Commission
No	No	Yes	Yes	Minimal	Commerce and Economic Opportunity
No	No	No	No	N/A	Commission on Human Rights
No	No	No	No	None	Community College Board
No	No	No	No	Did not provide	Comptroller
Yes	Yes	Yes	No	Unknown	Corrections
No	No	No	Yes	40	Council on Develop. Disabilities
No	No	No	No	Did not provide	Court of Claims
No	Yes	No	Yes	112.5	Criminal Justice Information Authority
No	No	N/A	No	None	Deaf and Hard of Hearing Commission
N/A	N/A	N/A	No	N/A	Drycleaner Environ. Response Fund
No	No	No	No	None	Educational Labor Relations Board
Yes	Yes	Yes	No (Yes – if we had staff to assign)	1,000	Emergency Management Agency
No	Yes	Yes	Yes	1,900	Employment Security
Yes	No	No	No	160	Environmental Protection Agency

Appendix  
**AGENCY RESPONSES REGARDING THE**

Agency	Do systems allow you to complete GAAP reporting packages timely?	Cost of agency fiscal staff doing the GAAP conversion process:	Using Consultants to provide assistance in financial reporting/GAAP package preparation		How satisfied are you with the year end conversion process?
			Do you contract with consultants?	FY10 Expenditures:	
Executive Ethics Commission	Yes	N/A	No	N/A	Did not provide
Financial and Professional Regulation	Yes	\$5,885	Yes	\$2,000	Satisfied
Gaming Board	Yes	\$2,452	No	N/A	Satisfied
General Assembly - Speaker of the House	Yes	Did not provide	No	N/A	Very Satisfied
General Assembly – House Minority Leader	Prepared by the Comptroller	\$395	No	N/A	Neutral
General Assembly – Senate	Prepared by the Comptroller	\$1,500	No	N/A	Satisfied
General Assembly Retirement System	Included in response with State Employees’ Retirement System				
Govt. Forecasting and Accountability	Prepared by the Comptroller	Minimal	No	N/A	Neutral
Governor	Yes	\$5,000	No	N/A	Neutral
Governor's Office of Mngmnt. and Budget	Yes	\$15,277	Yes	\$10,000	Neutral
Guardianship and Advocacy Commission	Yes	\$1,500	No	N/A	Satisfied
Healthcare and Family Services	Yes	\$197,658	Yes	\$15,825	Satisfied
Historic Preservation Agency	Yes	\$6,000	Yes	\$2,800	Satisfied
Human Rights	No	\$67,500	No	N/A	Very Dissatisfied
Human Services	No	Unknown	Yes	\$90,000	Very Dissatisfied
Illinois Arts Council	Yes	\$32,000	No	N/A	Satisfied
Illinois Commerce Commission	Did not provide	\$6,000	No	N/A	Very Satisfied
Illinois Power Agency	No	\$51,500	No	N/A	Neutral
Insurance	Did not provide	\$5,885	Yes	\$1,200	Satisfied
Joint Committee on Administrative Rules	Prepared by the Comptroller	N/A	No	N/A	Did not provide
Judges Retirement System	Included in response with State Employees’ Retirement System				
Judicial Inquiry Board	Prepared by the Comptroller	N/A	No	N/A	Satisfied
Juvenile Justice	Yes	\$357,000	Yes	Included in Corrections	Neutral



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**YEAR END GAAP CONVERSION PROCESS**

<b>Has staffing impacted your ability to complete year-end reporting in a timely and accurate manner?</b>		<b>Does the personnel system impede your ability to hire qualified staff?</b>	<b>Would additional training from the Comptroller on GAAP reporting be beneficial?</b>	<b>Staff hours saved with a new financial reporting system:</b>	<b>Agency</b>
<b>Lack of staff?</b>	<b>Lack of trained staff?</b>				
No	No	No	No	5 – 10	Executive Ethics Commission
No	No	No	No	None	Financial and Professional Regulation
No	No	No	No	Minimal	Gaming Board
No	No	No	No	None	General Assembly - Speaker of the House
No	No	No	No	21	General Assembly – House Minority Leader
No	No	No	Yes	Did not provide	General Assembly – Senate
Included in response with State Employees' Retirement System					General Assembly Retirement System
No	No	N/A	No	None	Govt. Forecasting and Accountability
Yes	Yes	Did not provide	No	75	Governor
Yes	Yes	No	Yes	75	Governor's Office of Mngmnt. and Budget
No	No	No	No	75	Guardianship and Advocacy Commission
Yes	Yes	Yes	No	920	Healthcare and Family Services
No	No	No	No	100	Historic Preservation Agency
Yes	Yes	No	Yes	Did not provide	Human Rights
Yes	Yes	Yes	Yes	2,000	Human Services
No	No	Yes	No	150	Illinois Arts Council
No	No	No	No	45	Illinois Commerce Commission
Yes	Yes	No	Yes	244	Illinois Power Agency
No	No	No	No	None	Insurance
Did not provide	Did not provide	Did not provide	Did not provide	20	Joint Committee on Administrative Rules
Included in response with State Employees' Retirement System					Judges Retirement System
Did not provide	Did not provide	No	Did not provide	Did not provide	Judicial Inquiry Board
Yes	Yes	Yes	No	Unknown	Juvenile Justice

Appendix  
**AGENCY RESPONSES REGARDING THE**

Agency	Do systems allow you to complete GAAP reporting packages timely?	Cost of agency fiscal staff doing the GAAP conversion process:	Using Consultants to provide assistance in financial reporting/GAAP package preparation		How satisfied are you with the year end conversion process?
			Do you contract with consultants?	FY10 Expenditures:	
Labor	No	\$6,700	No	N/A	Dissatisfied
Labor Relations Board	Yes	Minimal	No	N/A	Very Satisfied
Law Enforcement Training & Standards Brd.	No	\$5,914	No	N/A	Very Dissatisfied
Legislative Audit Commission	Yes	Did not provide	No	N/A	Satisfied
Legislative Ethics Commission	Prepared by the Comptroller	N/A	No	N/A	Neutral
Legislative Information System	Prepared by the Comptroller	\$72	Did not provide	Did not provide	Did not provide
Legislative Printing Unit	Prepared by the Comptroller	\$560	Did not provide	Did not provide	Did not provide
Legislative Reference Bureau	Prepared by the Comptroller	N/A	No	N/A	Very Satisfied
Legislative Research Unit	Prepared by the Comptroller	N/A	Did not provide	Did not provide	Did not provide
Lieutenant Governor	No budget, no line items until new Lt. Governor takes office				
Mathematics and Science Academy	Yes	\$85,000	No	N/A	Satisfied
Military Affairs	Did not respond				
Natural Resources	No	\$600,000	Yes	\$19,575	Neutral
Office of the Architect of the Capitol	Prepared by the Comptroller	\$330	Did not provide	Did not provide	Did not provide
Office of the Inspector General	Yes	\$9,795	No	N/A	Satisfied
Office of the State Appellate Defender	Prepared by the Comptroller	\$550	Did not provide	Did not provide	Did not provide
Office of the State Fire Marshal	Yes	\$71,400	Yes	Included in Corrections	Neutral
Office – State's Attorneys Appellate Prosecutor	Yes	\$5,800	No	N/A	Neutral
Pollution Control Board	Prepared by EPA	N/A	N/A	N/A	N/A
Prisoner Review Board	Yes	\$71,400	Yes	Included in Corrections	Neutral
Procurement Policy Board	Yes	Did not provide	No	N/A	Satisfied
Property Tax Appeal Board	Yes	\$1,300	No	N/A	Neutral
Public Health	Yes	\$60,000	No	N/A	Neutral

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**YEAR END GAAP CONVERSION PROCESS**

<b>Has staffing impacted your ability to complete year-end reporting in a timely and accurate manner?</b>		<b>Does the personnel system impede your ability to hire qualified staff?</b>	<b>Would additional training from the Comptroller on GAAP reporting be beneficial?</b>	<b>Staff hours saved with a new financial reporting system:</b>	<b>Agency</b>
<b>Lack of staff?</b>	<b>Lack of trained staff?</b>				
Yes	No	No	Yes	200	Labor
No	No	No	No	2	Labor Relations Board
Yes	Yes	Yes	Yes	98	Law Enforcement Training & Standards Brd.
No	No	No	No	None	Legislative Audit Commission
No	No	No	No	None	Legislative Ethics Commission
Did not provide	Did not provide	Did not provide	Did not provide	Did not provide	Legislative Information System
Did not provide	Did not provide	Did not provide	Did not provide	Did not provide	Legislative Printing Unit
No	No	No	No	None	Legislative Reference Bureau
Did not provide	Did not provide	Did not provide	Did not provide	Did not provide	Legislative Research Unit
No budget, no line items until new Lt. Governor takes office					Lieutenant Governor
No	No	No	No	200	Mathematics and Science Academy
Did not respond					Military Affairs
Yes	Yes	Yes	Yes	700	Natural Resources
Did not provide	Did not provide	Did not provide	Did not provide	Did not provide	Office of the Architect of the Capitol
No	No	No	No	100	Office of the Inspector General
Did not provide	Did not provide	Did not provide	Did not provide	Did not provide	Office of the State Appellate Defender
No	No	No	No	Unknown	Office of the State Fire Marshal
Yes	No	No	No	140	Office – State's Attorneys Appellate Prosecutor
N/A	N/A	N/A	Unknown	N/A	Pollution Control Board
No	No	No	No	Unknown	Prisoner Review Board
No	No	No	No	Did not provide	Procurement Policy Board
No	No	Yes	No	20 – 25	Property Tax Appeal Board
Yes	No	Yes	No	Unable to estimate	Public Health

Appendix  
**AGENCY RESPONSES REGARDING THE**

Agency	Do systems allow you to complete GAAP reporting packages timely?	Cost of agency fiscal staff doing the GAAP conversion process:	Using Consultants to provide assistance in financial reporting/GAAP package preparation		How satisfied are you with the year end conversion process?
			Do you contract with consultants?	FY10 Expenditures:	
Racing Board	Yes	\$1,635	No	N/A	Satisfied
Revenue	No	\$32,451	No	N/A	Dissatisfied
Secretary of State	Yes	\$40,500	No	N/A	Satisfied
Sex Offender Management Board	Yes	Minimal	Yes	Negligible	Neutral
State Board of Education	Yes	\$50,000	No	N/A	Neutral
State Board of Elections	Yes	\$5,000	No	N/A	Neutral
State Board of Investment	N/A	None	N/A	N/A	N/A
State Employees' Retirement System	Yes	\$200,000	No	N/A	Satisfied
State Police	Yes	\$5,688	Yes	Included in Corrections	Satisfied
State Police Merit Board	Did not provide	Did not provide	Did not provide	Did not provide	Did not provide
State Universities Civil Service System	Prepared by the Comptroller	Did not provide	No	N/A	Very Satisfied
State Universities Retirement System	Yes	\$1,250	No	N/A	Satisfied
Student Assistance Commission	Yes	\$100,000	No	N/A	Dissatisfied
Supreme Court	Did not respond				
Teachers' Retirement System	Yes	\$1,040	No	N/A	Very Satisfied
Transportation	No	Did not provide	Yes	\$240,000	Dissatisfied
Treasurer	Yes	\$30,416	No	N/A	Neutral
Veterans' Affairs	No	\$473,500	Yes	\$6,000	Dissatisfied
Violence Prevention Authority	Yes	\$754	Yes	\$900	Very Satisfied
Workers' Compensation Commission	Yes	\$75,000	No	N/A	Very Dissatisfied

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**YEAR END GAAP CONVERSION PROCESS**

<b>Has staffing impacted your ability to complete year-end reporting in a timely and accurate manner?</b>		<b>Does the personnel system impede your ability to hire qualified staff?</b>	<b>Would additional training from the Comptroller on GAAP reporting be beneficial?</b>	<b>Staff hours saved with a new financial reporting system:</b>	<b>Agency</b>
<b>Lack of staff?</b>	<b>Lack of trained staff?</b>				
No	No	No	No	N/A	Racing Board
Yes	Yes	Yes	Yes	210	Revenue
Yes	No	Yes	Yes	None	Secretary of State
No	Yes	No	No	Minimal	Sex Offender Management Board
No	No	No	No	500	State Board of Education
Yes	No	No	No	650	State Board of Elections
No	No	Yes	N/A	None	State Board of Investment
No	No	Yes	No	Unable to estimate	State Employees' Retirement System
No	No	No	No	29	State Police
Did not provide	Did not provide	Did not provide	Did not provide	Did not provide	State Police Merit Board
No	No	No	Yes	30	State Universities Civil Service System
No	No	No	No	N/A	State Universities Retirement System
No	No	No	No	1,500	Student Assistance Commission
Did not respond					Supreme Court
No	No	No	Yes	Minimal	Teachers' Retirement System
Yes	Yes	Yes	No	1,500	Transportation
No	No	No	Yes	975	Treasurer
Yes	Yes	Yes	Yes	150	Veterans' Affairs
No	No	No	Yes	32	Violence Prevention Authority
No	Yes	Yes	Yes	600	Workers' Compensation Commission

Source: OAG analysis of agency survey responses.



# **APPENDIX E**

## **Results from Survey of Other States**

Following are responses from selected questions from the survey of other states.

For complete responses, please go to or click on the following:

<http://www.auditor.illinois.gov/Audit-Reports/Performance-Audits/11-State-Fin-Rpt-Sys-Full-Survey-Info.pdf>

State	System Description	Type of System	Year Implemented	Last Upgraded	Consequences for not complying with reporting deadlines?	
					Yes/No	Explanation
<b>ALABAMA</b>	Other	Internally Developed	1996	2002	No	-
<b>ARIZONA</b>	Centralized but requires conversion for GAAP reporting	N/A	N/A	N/A	No	-
<b>CALIFORNIA</b>	Decentralized	N/A	N/A	N/A	Yes – CAFR	There is a government code section that allows the SCO to withhold any or all operating funds from a department that does not submit its financial reports within 20 days of the deadlines.
<b>COLORADO</b>	Centralized and GAAP Compliant	Vendor Developed but frequently modified	1991	1997	Yes	<ol style="list-style-type: none"> <li>1. Controller reports agency to the Governor's Office where the executive budget is formulated.</li> <li>2. State Auditor reports agency to the Legislative Audit Committee which has strong ties to the Joint Budget Committee.</li> </ol>



## SURVEY OF OTHER STATES

Number of Funds	Advantages of System	Disadvantages of System	State
980	Cheap. Reliable. Not subject to the availability of an independent data processing organization should we need a programming change at the last minute. Uses existing accounting system procedures and controls. All CAFR numbers easily traceable and auditable through standard accounting system transactions. No manual adjustments to published statements results in no internal inconsistency in statements. Easy to adjust statements as late as the last day.	Suffers from all of the limitations of our accounting system. Depends heavily on one person who built it and maintains it. Complex data warehouse research queries would be faster if we converted to SQL.	ALABAMA
603 (Statewide)	CAFRA: 1. CAFRA issued with an unqualified opinion 2. CAFRA has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting the last five years.	CAFRA: 1. Time consuming with manual effort and unable to meet the following time requirements: <ul style="list-style-type: none"> <li>▪ Continuing disclosure filings</li> <li>▪ Single Audit Reporting package</li> <li>▪ Timeliness period for GFOA certificate program</li> </ul> 2. Requires additional staff resources from both the preparer and the auditor. SEFA: Very time consuming, manual effort	ARIZONA
836	CAFRA: Honestly, there doesn't seem to be any advantages. SEFA: The State Controller can provide an automated schedule of federal receipts.	CAFRA: Lack of statewide system; duplicate input of transactions in multiple systems; manual processes, including external spreadsheets and databases to accumulate and manipulate financial information not within the current legacy systems; inability to drill down GAAP basis amounts to department level detail; and many more. SEFA: Lack of a statewide system. Manual processing is necessary to produce the SEFA.	CALIFORNIA
800 (approximate)	1. Processes are efficient, stable, and reliable. 2. Controls are well integrated. 3. Mainframe source for CAFRA is very secure & predictable. 4. High level of automation allows us to post an audit adjustment very near the end of the audit cycle with confidence that the entry will be reflected throughout the CAFRA. 5. Preparers take a lot of pride in a very efficient and effective process built in house.	1. We are losing expertise at the Legacy mainframe system level, i.e. COBOL programmers. 2. System is complex and it can take years to transfer the seed knowledge to new staff. 3. One person has to "know it all" in order to keep the system functioning. This makes it difficult to dispense some tasks. 4. The process pushes Microsoft tools to their limits and we have experienced file corruption that can't be explained. We have developed work arounds for this problem.	COLORADO

State	System Description	Type of System	Year Implemented	Last Upgraded	Consequences for not complying with reporting deadlines?	
					Yes/No	Explanation
<b>FLORIDA</b>	Centralized and GAAP Compliant	Developed in house	1983	Continually modified as needed	Yes	Florida statutes authorize the Chief Financial Officer (the office that compiles the CAFR and the SEFA) to refuse to honor salary claims for agency or branch fiscal and executive staff for noncompliance and until the agency or branch corrects its deficiency. Also authorized to withhold any funds payable to a component unit for noncompliance and until the component unit corrects its deficiency.
<b>GEORGIA</b>	Centralized but requires conversion for GAAP reporting	Purchased off the shelf	2010	N/A	Yes	Audit findings
<b>IDAHO</b>	Centralized but requires conversion for GAAP reporting	N/A	N/A	N/A	No	Agencies are aware of the statutory requirement for GAAP reporting and generally meet our timelines. If they were significantly late, they could face additional scrutiny at budgetary hearings.
<b>ILLINOIS</b>	Decentralized	N/A	N/A	N/A	Yes	Letters are sent to the non-responsive agencies and also to the OAG for future audit consideration.
<b>IOWA</b>	Centralized but requires conversion for GAAP reporting	Purchased off the shelf, with customizations	2004	2008	No	The auditors may write a comment about information being late.
<b>KANSAS</b>	Centralized but requires conversion for GAAP reporting	Purchased off the shelf	2010	N/A	No	-

**SURVEY OF OTHER STATES**

<b>Number of Funds</b>	<b>Advantages of System</b>	<b>Disadvantages of System</b>	<b>State</b>
Over 2,000 internal reporting funds	These processes utilize Microsoft programs which are fairly universal and simplify training efforts for new employees.	There is not one comprehensive system that houses all the information needed. Therefore, efforts have to be spent on gathering information from different sources for compilation.	FLORIDA
100 (approximate)	We are able to see consolidated data in one system (helps with reconciling information such as Cash and State Revenue, etc.). Hyperion has a mapping tool so the data from the agencies using the common ledger system are all mapped consistently. The reporting tool is integrated with Excel so we were able to take many of our existing files and just update them with Hyperion links.	Many users are not on common G/L (such as Component Units) and we have not set up mapping tables in the mapping tool so we have Excel templates for them to fill out to convert to our common language which we then load automatically into Hyperion.	GEORGIA
204	Our systems are paid for. Centralized reporting cuts down on the amount of specialized knowledge and training required at each agency. We have control over accrual and journal entries.	Takes time. Difficulty of obtaining independently audited financial statements from some agencies in a timely manner.	IDAHO
900 (estimated)	All activity and reporting is coordinated through the IOC.	Agencies are not accountable to the IOC directly. In many instances the IOC needs to work with GOMB in order for deadlines to be met by the agencies.	ILLINOIS
659	Know the process, it is flexible.	Very manual and time consuming process. Mistakes are easily made.	IOWA
2,100 (approximate)	SMART improves the efficiency of Kansas' financial practices; increases the quality and timeliness of information provided to decision makers; increases the transparency, quality and timeliness of financial information to the public; provides "real-time" view of the financial management situation of the State; and reduces redundancies in financial management system used by the State.	N/A	KANSAS

Appendix  
**SELECTED RESULTS FROM**

State	System Description	Type of System	Year Implemented	Last Upgraded	Consequences for not complying with reporting deadlines?	
					Yes/No	Explanation
MAINE	Centralized but requires conversion for GAAP reporting	Purchased off the shelf	2008	Currently being upgraded	No	-
MARYLAND	Centralized but requires conversion for GAAP reporting	Vendor Developed	1997	1997	Yes	High-level management is notified in writing of all deficiencies in separately-audited financial reports, including not meeting filing deadlines.
MICHIGAN	Centralized and GAAP Compliant	Vendor Developed	1994	2001	No	-
MISSISSIPPI	Centralized but requires conversion for GAAP reporting	Purchased from Vendor, with major modifications	1989	Continually modified as needed	Yes	If an agency fails to report as required, the expense of producing the information shall be borne by the individuals responsible.
MISSOURI	Centralized but requires conversion for GAAP reporting	N/A	N/A	N/A	No	The only practical consequence to an agency not submitting its SEFA timely is the potential for inclusion of a written audit finding in the Single Audit report.
MONTANA	Centralized and GAAP Compliant	Purchased off the shelf	1999	2007	No	-

## SURVEY OF OTHER STATES

Number of Funds	Advantages of System	Disadvantages of System	State
50	The adjustments necessary to convert our budgetary financial information into GAAP compliant financial statements are well documented. With the use of CAFR Unlimited, it is easy to trace information from our State's accounting system into our State's CAFR. Our auditors are able to conduct the audit as we are preparing the CAFR. This enables the State to submit an audited CAFR by December 31 <sup>st</sup> .	The CAFR Unlimited database does not have adequate controls to prevent, restrict or track changes to how accounts roll up into the CAFR or to the actual GAAP adjustment. Also, the database is quirky and the report function is difficult to use. We tend to have to do minor changes to the various financial reports (visual changes, not changes to the actual report totals) manually in Excel.	MAINE
21	Statewide control over financial reporting in accordance with State Law and the State's Budgetary Funds.	Manual conversion to GAAP reporting.	MARYLAND
76	It facilitates the preparation of the CAFR in an efficient, timely manner.	Interim, mid-year financial reporting is difficult and, in some cases, impossible.	MICHIGAN
1,450	We are able to produce the required reports.	The process is very labor intensive.	MISSISSIPPI
420	CAFRA - GAAP entries are reviewed by staff with expertise in GASB reporting SEFA - The advantage of having each agency prepare their own portion and having the SAO combine them is that the agency personnel are more likely to know whether a grant has been left off their report than a separate entity doing the SEFA for the entire state government and having the SAO combine them allows the SAO to also perform various analysis as they are received.	CAFRA - Data from State agencies is not always received in a timely manner. SEFA - The disadvantage of decentralized preparation by the auditee is that the data is not as timely as it could be and negatively affects the timing of the Single Audit, etc.	MISSOURI
Thousands of subfunds – most rolled into two “super” funds	Our new process will allow us to prepare our Excel financial statements directly from the system and allow us to maintain the related structure directly on the accounting system. Future financial statement preparation should be more efficient.	Although we have a central system, we have a decentralized accounting structure. Only the accounting policy, CAFR preparation, help desk, and central accounting system upgrades and maintenance are centralized. Actual agency accounting is decentralized.	MONTANA

State	System Description	Type of System	Year Implemented	Last Upgraded	Consequences for not complying with reporting deadlines?	
					Yes/No	Explanation
<b>NEBRASKA</b>	Centralized but requires conversion for GAAP reporting	Purchased from vendor, significantly modified	2003	2010	No	We contact the Agency Director in some cases.
<b>NEVADA</b>	Centralized but requires conversion for GAAP reporting	Purchased from vendor, highly customized	2000	Modified internally as needed	No	-
<b>NEW HAMPSHIRE</b>	Centralized but requires conversion for GAAP reporting	Purchased off the shelf	2009	N/A	No	-
<b>NEW JERSEY</b>	Centralized but requires conversion for GAAP reporting	Purchased off the shelf, but modified	1993	No upgrades, modified in-house	Yes	The Federal Government has indicated the risk of loss of funds due to untimely Single Audits. Certain deadlines are mandatory in regards to the publication of data in connection with bond issues and bond ratings.
<b>NEW MEXICO</b>	Centralized and GAAP Compliant	Purchased off the shelf	2006	2008	No	-

**SURVEY OF OTHER STATES**

<b>Number of Funds</b>	<b>Advantages of System</b>	<b>Disadvantages of System</b>	<b>State</b>
1,150	Most information is in the financial system. Reports have been developed to assist with the process.	Manual process for determining and gathering accruals. Excel and Word documents manually updated for final reports.	<b>NEBRASKA</b>
99	<p>CAFR: For the most part, agencies do not have accountants versed in financial reporting, so it is an advantage to prepare the financial statements in the Controller's Office where there are professional accountants and CPAs. This way we know the statements prepared in the Controller's Office are in compliance with GAAP. It is also an advantage for our auditors to be able to perform most of the audit work in a central location.</p> <p>SEFA: The current process does not have automated data collection protocols and has no advantages from that standpoint.</p>	<p>CAFR: The advantage is also a disadvantage, as the CAFR work cannot be spread out among agencies, and must be completed by nine accountants in the Controller's Office within a relatively short time frame. Another disadvantage to our process is that we do not have control over the timing of component unit audited financial statements...</p> <p>SEFA: The current process is unwieldy and has too much allowance for human error. As funds are available for a conversion of the process, the data will be captured once in our integrated financial system and labeled for use using XBRL naming protocol. This means that many uses of the single data base would be accommodated, most particularly for the needs of Single Audit reporting.</p>	<b>NEVADA</b>
20+	When extracts for CAFR done, process will be better controlled, easier - available for interim application.	N/A	<b>NEW HAMPSHIRE</b>
168	Centralized accounting system is the "official" books. It provides for consistent data elements and chart of accounts. Daily data extracts are made to a data warehouse for ad hoc reporting.	The current system requires a batch interface for the payroll function. Due to the age of the payroll system, there is the lack of cost allocation of salary data.	<b>NEW JERSEY</b>
55	The 2008 CAFR was the first CAFR in state history to be issued within 7 months of fiscal year end. Prior to the 2008 CAFR, the completion of the CAFR averaged 18 months.	The process is labor intensive. The State does not have any consequences for not complying with deadlines. There is extensive data manipulation in preparing the trial balances, too many opportunities for errors. The agency audits are due to the Office of the State Auditor no later than December 15, the CAFR is due to the GFOA by December 31, which hinders the CAFR Unit's ability to complete the CAFR by December 31. The CAFR is not audited on a statewide basis (Legislature would need to change State Statutes and Administrative Code).	<b>NEW MEXICO</b>

Appendix  
**SELECTED RESULTS FROM**

State	System Description	Type of System	Year Implemented	Last Upgraded	Consequences for not complying with reporting deadlines?	
					Yes/No	Explanation
NEW YORK	Centralized but requires conversion for GAAP reporting	Combination of two systems, one developed in-house and one off the shelf system	CAS – 1982  Oracle – 1998	Not upgraded  2006	No	The State agencies have been very cooperative since the inception of GAAP reporting. The Comptroller does have the authority to audit State agencies.
NORTH CAROLINA	Centralized but requires conversion for GAAP reporting	Purchased off the shelf	1995	1997 (major upgrade planned for next year)	Yes	Letter to agency CFO (copied to agency head, OSA and the Director of the Budget) of their noncompliance. Allotments to agency may be withheld by the Director of the Budget.
OHIO	Centralized but requires conversion for GAAP reporting	Vendor developed	2006 – 2008	N/A	No	-
OREGON	Centralized and GAAP Compliant	Vendor developed for another state, then modified	1995 – 1997	Upgraded as needed	Yes	Agencies that fail to comply with year-end closing deadlines do not receive the State Controller's Division Gold Star Award. Recipients of the award for the current and past 4 fiscal years are posted on the State Controller's Division Website.
RHODE ISLAND	Centralized but requires conversion for GAAP reporting	Oracle Suite of software modules	2006	Upgrade planned for next year	No	-
SOUTH DAKOTA	Centralized but requires conversion for GAAP reporting	Vendor developed	1988	2010	No	-
TENNESSEE	Centralized and GAAP Compliant	Purchased off the shelf	In process	N/A	Yes	Consequences just consist of high-level conversations about the lack of progress.
TEXAS	Decentralized	N/A	N/A	N/A	Yes	The Comptroller has the authority to withhold expense reimbursements for employees of agencies who do not comply with reporting requirements.



**SURVEY OF OTHER STATES**

<b>Number of Funds</b>	<b>Advantages of System</b>	<b>Disadvantages of System</b>	<b>State</b>
200 (approximate)	The Oracle General Ledger System is utilized for the GAAP basis financial statements. This application is user-friendly and gives users the flexibility to develop and run reports as needed. The advantage of this system is that it is downstream from the CAS so that all journal entries that are processed do not impact the CAS data.	Since the CAS is a cash basis accounting system, a separate Internet application was developed to collect accrual information for the GAAP basis financial statements. To prepare the financial statements for fiscal year ended March 31, 2010, over \$200 billion in entries were posted to convert the data from a cash basis to an accrual basis of accounting.	<b>NEW YORK</b>
In excess of 2,500	Staff can maintain with limited technical resources and changes are reflected immediately with out having to update the accounting system.	Manual processes	<b>NORTH CAROLINA</b>
1,104	By consolidating all agencies into one ERP system, compiling information has become more centralized and allowed us to obtain State-wide information much quicker than before.	Notes to the Financial Statements are still done manually due to the depth and variety of information, while it would be nice to eventually utilize the system to create these, it will most likely never be cost effective to do so.	<b>OHIO</b>
50	SEFA process is mostly automated.	The entire process is very sensitive to any unexpected problems encountered by the constitutional auditors. When issues arise that take a long time to resolve, it can mean delays in publishing the CAFR.	<b>OREGON</b>
51	Integrated software which includes purchasing, payables and fixed assets. Software generates financial statements but they must be enhanced via Excel before finalization.	Financial statements (entity wide) must go thru another process via Excel before they are final.	<b>RHODE ISLAND</b>
509	N/A	There's a lot of manual effort involved.	<b>SOUTH DAKOTA</b>
80 (approximate)	Since we are reporting from 2 systems now, there are no advantages.	See answer to Advantages of System	<b>TENNESSEE</b>
675	The feeling that agencies will care more about their financial data if they produce an AFR.	There is a lack of uniformity of data submitted via the hard copy notes. Agency sub-level reporting requires more time and another layer of reconciliation and elimination.	<b>TEXAS</b>

Append  
**SELECTED RESULTS FROM**

State	System Description	Type of System	Year Implemented	Last Upgraded	Consequences for not complying with reporting deadlines?	
					Yes/No	Explanation
<b>VERMONT</b>	Centralized but requires conversion for GAAP reporting	Purchased off the shelf	2001	2007	No	If a department is being non-cooperative, we generally get our Commissioner involved and he will take it up to their Commissioner or Agency Secretary.
<b>VIRGINIA</b>	Other	Combination of vendor developed and off the shelf	Late 1970's	Full upgrade 1986-87	Yes	A noncompliant agency may be cited in a quarterly management report provided to the Governor and his Cabinet.
<b>WASHINGTON</b>	Centralized and GAAP Compliant	Vendor Developed	1984	N/A	Yes	The director of the Office of Financial Management is appointed by the Governor and is a member of her Executive Cabinet; he is also the State's Budget Director. This governance structure generally allows for issues to be quickly escalated and resolved.
<b>WEST VIRGINIA</b>	Centralized but requires conversion for GAAP reporting	N/A	N/A	N/A	No	-
<b>WISCONSIN</b>	Centralized but requires conversion for GAAP reporting	Purchased off the shelf with significant modifications	1993	2006	Yes	We get pretty good compliance for timelines, but with vacancies occurring in agencies, delays have occurred. We have told agencies that the State's bond rating could be impacted by late reporting.

**SURVEY OF OTHER STATES**

<b>Number of Funds</b>	<b>Advantages of System</b>	<b>Disadvantages of System</b>	<b>State</b>
518	All GAAP adjustments for the governmental funds are reviewed and made centrally by individuals that know GASB requirements.	It is a manual process that relies on the data provided by departments that is not always timely or accurate.	VERMONT
490	The annual directives have numerous validation tools built in to help ensure the accuracy of the information provided.	Given the complexity and diversity of the Commonwealth's defined reporting entity, this process currently provides the most timely and accurate means available to produce the CAFR and SEFA.	VIRGINIA
597	High data integrity in an extremely reliable system that we own. Being that the system is table driven, it has been able to accommodate the many GASB reporting changes that have come our way. In addition, agencies can interface entries through use of our Toolbox or via batch interface.	Our current system does not have workflow capabilities and requires manual entry during one process, like procurement, or payables. Since our system has old code, we face the risk of being unable to find programmers to make necessary changes in the future.	WASHINGTON
34	N/A	No control over late submission of audit and/or SEFA information.	WEST VIRGINIA
60	The process is straight forward and simpler for training agency staff.	Many manual processes and extensive use of spreadsheet linking function. Loss of linking capability is a concern when it comes time to upgrade to later versions of Microsoft.	WISCONSIN

Source: OAG analysis of other states' survey responses.



**APPENDIX F**  
**Agency Responses**





OFFICE OF THE GOVERNOR

207 STATE HOUSE  
SPRINGFIELD, ILLINOIS 62706

PAT QUINN  
GOVERNOR

February 16, 2011

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

Dear Auditor General Holland:

Enclosed is a written response from the Office of the Governor with respect to your audit of the State's financial reporting system (pursuant to Senate Resolution Number 609).

If you have questions, I can be reached at 312-814-2719.

Regards,

A handwritten signature in black ink, appearing to read "Jack Lavin", with a long horizontal flourish extending to the right.

Jack Lavin  
*Chief of Staff*  
Office of Governor Pat Quinn

Cc: Joe Butcher

## **Responses to the Office of the Auditor General Management Audit of the State's Financial Reporting System**

### **Recommendation Number 1**

*The Governor's Office should work with agency fiscal staff to ensure that agencies have the staff needed in the area of financial reporting. The Governor's Office should also work with Central Management Services to make any needed adjustments to the current personnel system so that agencies can obtain qualified staff.*

**Governor's Office Response** – The Governor's Office concurs with the Office of the Auditor General's recommendation. The Governor's Office of Management and Budget has worked with the fiscal staff of other agencies to draft job descriptions for accountants. These job descriptions are written to assure that staff hired into accountant positions will have the required educational and work experience to compile GAAP financial reports. These positions have been submitted to Central Management Services and are awaiting CMS action. The process of creating and filling positions in the agencies with qualified people is a long-term strategy. The task to have these positions approved and to work with agencies to hire qualified people will take time. In the interim, GOMB is happy to partner with the Comptroller's Office to provide assistance to agencies. Providing training and support is outlined in the Comptroller's response to recommendation number three.

The Governor's Office will also work with the Department of Central Management Services to evaluate improvements that can be made to the personnel system and all of its components. The end result would be to make the system more efficient and responsive to the needs of the state.

### **Recommendation Number 2**

*The Governor's Office and the Office of the Comptroller should develop and implement a plan to correct problems with the current financial reporting process and begin overhauling the State's financial reporting system. During this process, they should examine the results of our agency survey and obtain input from affected parties.*

**Governor's Office Response** – The Governor's Office concurs with the Office of the Auditor General's recommendation. The Governor's Office recognizes that the State must address the issue of need for a centralized financial accounting system. However, as the Office of the Auditor General acknowledges in its report, to address such issues will require--with the help of the General Assembly--the allocation of considerable financial resources to this long-term project, whether through the State's Capital Program or otherwise.

The Office of the Governor has appointed a Chief Information Officer to manage the State's Information Technology resources, with the specific task of creating and implementing a comprehensive strategic plan, major components of which are directed at:

1. integrating related, but currently disparate and disconnected financial accounting systems;



2. reviewing and redefining business processes in and among state agencies in the interest of efficiency and simplicity;

3. establishing statewide IT management standards that require and incent agencies to realize synergies in and among themselves

A centerpiece of this strategy will be a consistent and long-term focus on migrating the data from legacy, archaic systems to *relational databases*—modern, searchable and integrated storehouses—thereby decommissioning antiquated technology, and replacing it with more modern, less expensive, and more usable integrated systems.

**Recommendation Number 4 –**

*The Governor’s Office and the Office of the Comptroller should work together to establish financial reporting target completion dates. They should also work together in monitoring the established dates to ensure that agencies are complying with those dates and submitting information on a timely basis*

**Governor’s Office Response.** The Governor’s Office concurs with the Office of the Auditor General’s recommendation. The Comptroller is in the best position to establish the timeline for financial reporting target completion dates. The Governor’s Office will assist meeting any such timeline by personally urging agencies under the Governor to respond in a timely fashion. The Governor’s Office of Management and Budget will use its resources to monitor the agencies through its staff and obtain updates on the status of submissions.

As has been noted in this report and in the recommendations, the inability of agencies to respond in a timely manner is multifaceted and cannot be solved in the short term without providing additional support and assistance to the agencies. Hiring additional competent staff and providing technological solutions will be an integral part of any long-term solution.

**Recommendation Number 5 –**

*The Governor’s Office and the Office of the Comptroller should work with the General Assembly to reduce the complexity of the State’s fund structure*

**Governor’s Office Response –** The Governor’s Office concurs with the Office of the Auditor General’s recommendation. The Governor’s Office, with the assistance of the Governor’s Office of Management and Budget, will continue to review the fund structure of the State and make recommendations. Most funds are required by statute. Any consolidation or elimination of funds would require the approval of the General Assembly. GOMB is also happy to work with the Comptroller in responding to requests by legislators to analyze the necessity of creating a new fund for some specific purpose. GOMB will seek to provide innovative solutions that will satisfy the desire to keep a separate accounting of designated moneys.



## Office of the Comptroller's Responses

### Responses to the Office of the Auditor General Management Audit of the State's Financial Reporting System

#### Recommendation number 1

*The Governor's Office should work with agency fiscal staff to ensure that agencies have the staff needed in the area of financial reporting. The Governor's Office should also with Central Management Services to make any needed adjustments to the current personnel system so that agencies can obtain qualified staff.*

**No IOC response required.**

#### Recommendation number 2

*The Governor's Office and the Office of the Comptroller should develop and implement a plan to correct problems with the current financial reporting process and begin overhauling the State's financial reporting system. During this process, they should examine the results of our agency survey and obtain input from affected parties.*

**IOC Response:** We concur with the OAG recommendation. For the short term, the Comptroller's Office has developed a plan to update the current WEDGE and CAFR systems for the next reporting cycle. For the long term, we agree the best course of action for the State is to invest in a new centralized GAAP compliant financial reporting system. We will work with the Governor's Office to develop a proposal for a new centralized GAAP compliant financial reporting system for the State of Illinois.

#### Recommendation number 3

*The Office of the Comptroller should assess its training approach and develop a new policy of agency training. The assessment should involve the user agencies and should consider the need for agency specific training and training on new financial reporting standards.*

**IOC Response:** We concur with the OAG recommendation. The Comptroller's Office will develop a new outreach program for the agencies that includes periodic update sessions, training sessions, and round table discussions. In addition, the Comptroller's Office will request the funding for a GAAP technical unit to meet the needs of the State with outreach, training, technical assistance, and rapid response to specific problems identified by the IOC, the Governor's Office, or the agencies.

**Recommendation number 4**

*The Governor's Office and the Office of the Comptroller should work together to establish financial reporting target completion dates. They should also work together in monitoring the established dates to ensure that agencies are complying with those dates and submitting information on a timely basis*

**IOC Response:** We concur with the OAG recommendation. The Comptroller's Office will work with the Governor's Office to develop financial reporting target completion dates. We will coordinate with the Office of the Auditor General to make sure our timelines are in sync with their audit plans. If an agency does not meet the targeted completion dates, the Comptroller's Office will notify the Governor's Office and the Auditor General's Office immediately.

**Recommendation number 5**

*The Governor's Office and the Office of the Comptroller should work with the General Assembly to reduce the complexity of the State's fund structure*

**IOC Response:** We concur with the OAG recommendation. The Comptroller's Office will extend an official offer to the General Assembly to review any draft legislation that involves the creation of new funds and provide technical advice on potential alternatives.