
REPORT DIGEST

ILLINOIS ARTS COUNCIL

COMPLIANCE EXAMINATION

For the Two Years Ended:
June 30, 2009

Summary of Findings:

Total this audit	3
Total last audit	4
Repeated from last audit	2

Release Date:
March 9, 2010



State of Illinois
Office of the Auditor General
WILLIAM G. HOLLAND
AUDITOR GENERAL

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SYNOPSIS

- The Illinois Arts Council did not adopt formal Agency rules.
- Contractual service payment made from incorrect fiscal year appropriation.

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

**ILLINOIS ARTS COUNCIL
COMPLIANCE EXAMINATION
For The Two Years Ended June 30, 2009**

EXPENDITURE STATISTICS	FY 2009	FY 2008	FY 2007
Total Expenditures (All Funds).....	\$16,753,633	\$16,091,614	\$20,381,863
<u>OPERATIONS TOTAL</u>	\$2,113,700	\$2,317,522	\$1,898,278
% of Total Expenditures.....	12.6%	14.4%	9.3%
Personal Services	\$1,366,234	\$1,396,699	\$1,240,371
% of Operations Expenditures.....	64.7%	60.3%	65.4%
Average No. of Employees.....	21	20	20
Other Payroll Costs (FICA, Retirement)	\$389,376	\$330,915	\$230,131
% of Operations Expenditures.....	18.4%	14.3%	12.1%
Contractual Services.....	\$178,190	\$260,608	\$205,319
% of Operations Expenditures.....	8.4%	11.2%	10.8%
All Other Items.....	\$179,900	\$329,300	\$222,457
% of Operations Expenditures.....	8.5%	14.2%	11.7%
<u>GRANTS TOTAL</u>	\$14,639,933	\$13,774,092	\$18,483,585
% of Total Expenditures.....	87.4%	85.6%	90.7%
Cost of Property and Equipment	\$226,507	\$218,660	\$218,836

SELECTED ACTIVITY MEASURES	FY 2009	FY 2008	FY 2007
Federal Grant Receipts	\$1,295,300	\$876,900	\$760,400
Grant Applications Received	2,537	2,102	2,653

EXECUTIVE DIRECTOR
During Audit Period: Mr. Terry Scrogum
Currently: Mr. Terry Scrogum

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**FAILURE TO ADOPT FORMAL RULES FOR
AGENCY AND GRANT PROCEDURES**

The Illinois Arts Council did not draft or adopt formal agency rules, including rules relating to grant procedures.

The Arts Council did not draft or adopt formal agency rules

The Illinois Administrative Procedure Act (5 ILCS 100/5 et seq.) states that each agency shall maintain and file organizational rules, including a current description of the agency's organization, current procedures for information requests, and a current description of the agency's rulemaking procedures. (Finding 1, page 9)

We recommended the Agency draft organizational rules and grant procedures, then contact the Joint Committee on Administrative Rules (JCAR) for assistance with the formal adoption process.

The Illinois Arts Council will continue to seek the guidance of the Office of the Governor on this finding

Agency Officials stated they did not currently have the staff or legal support to engage in this process and due to the financial crises of the State, did not foresee funds being appropriated for this. The Agency will however, continue to seek guidance from the Office of the Governor on this finding.

**CONTRACTUAL SERVICE PAYMENT MADE
FROM INCORRECT FISCAL YEAR
APPROPRIATION**

The Illinois Arts Council paid for services from the incorrect fiscal year appropriation.

A payment of \$4,886 was made from fiscal year 2008 appropriations that included services performed in fiscal year 2009

The Agency made a contractual service payment of \$4,886 from fiscal year 2008 appropriations that included computer technical services performed in fiscal year 2009.

We recommended the Agency strictly adhere to the State Finance Act requirements that restrict appropriated funds to the fiscal year in which the services were rendered. (Finding 3, page 11)

Agency officials stated they will monitor contractual needs more closely, especially as the end of the fiscal year approaches.

OTHER FINDING

The remaining finding dealt with expired terms for Council members. We will review progress toward implementation of all recommendations during the next compliance examination.

WILLIAM G. HOLLAND, Auditor General

WGH:KMC:drh

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors on this engagement were Robert J. Ripp & Associates.