



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

Compliance Examination
 For the Two Years Ended June 30, 2019

Release Date: April 22, 2020

FINDINGS THIS AUDIT: 2				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	No Repeat Findings			
	2	0	2				
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	2	0	2				
FINDINGS LAST AUDIT: 0							

SYNOPSIS

- (19-01) The Commission did not maintain adequate controls over its property listing and related reporting.
- (19-02) The Commission did not have an adequate segregation of duties over its accounting and recordkeeping functions for receipts.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019

EXPENDITURE STATISTICS	2019	2018	2017
Total Expenditures.....	\$ 3,855,556	\$ 1,861,545	\$ 1,945,624
OPERATIONS TOTAL.....	\$ 3,855,556	\$ 1,861,545	\$ 1,945,624
% of Total Expenditures.....	100.0%	100.0%	100.0%
Personal Services.....	1,398,878	887,410	900,954
Other Payroll Costs (FICA, Retirement).....	853,365	805,200	892,114
All Other Operating Expenditures.....	1,603,313	168,935	152,556
Total Receipts.....	\$ 5,210	\$ -	\$ -
Average Number of Employees.....	26	13	13

COMMISSION DIRECTOR
During Examination Period: Daniel Long (through 7/31/17); Clayton Klenke (effective 08/01/17)
Currently: Clayton Klenke

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INADEQUATE CONTROL OVER STATE PROPERTY

The Commission did not maintain adequate controls over its property listing and related reporting. During testing, we noted the following:

Deletion not recorded

- The Commission failed to remove one item, totaling \$113, from its property listing. The item was picked up by the Department of Central Management Services (CMS) on December 5, 2018, but was not removed from the Commission's property listing as of June 30, 2019.

Deletions not recorded timely

- Five of 6 (83%) deletions tested, totaling \$2,890, were not removed from the property listing timely. The assets were picked up by CMS on December 5, 2018, but were not removed from the Commission's property listing until June 13, 2019.

As a result, the Commission's Form C-15 reports filed for the third and fourth quarters of Fiscal Year 2019 were overstated by \$3,003 and \$113, respectively. (Finding 1, pages 10-11)

We recommended the Commission timely update its property records after changes occur to ensure accurate property reporting.

Commission accepted recommendation

Commission officials accepted our recommendation, noting because the Commission had recently relocated and acquired the former LRU via an agency merger (per PA 100-1148), the Commission was delayed in performing such deletions while determining how to best merge the property control systems of two agencies.

INADEQUATE SEGREGATION OF DUTIES

The Commission did not have an adequate segregation of duties over its accounting and recordkeeping functions for receipts.

During testing of receipts, we noted the Commission's Fiscal Officer had the authority to perform all parts of the transaction cycle, including:

- **Authorization** by reviewing and approving transactions, including both depositing funds into the State Treasury's clearing accounts and preparing Receipt Deposit Transmittals or Expenditure Adjustment Transmittals;

Inadequate segregation of duties

- **Custody** by handling and depositing physical checks and money orders and maintaining electronic and physical records;
- **Recordkeeping** by preparing entries and maintaining the Commission’s internal accounting records; and,
- **Reconciliation** by preparing reconciliations to the State Comptroller’s records to verify each transaction’s validity, proper authorization, and entry into the Commission’s accounting records.

We identified the Executive Director and/or Deputy Director’s review of transactions and reconciliations as compensating controls. However, the authority or ability for one person to perform all functions represents a significant control weakness.

The Commission processed receipts totaling \$5,210 during Fiscal Year 2019 and no receipts during Fiscal Year 2018. (Finding 2, pages 12-13)

We recommended the Commission establish a proper segregation of duties over its receipts.

Commission accepted recommendation

Commission officials accepted our recommendation and described corrective action taken to achieve a proper segregation of duties.

ACCOUNTANT’S OPINION

The accountants conducted a compliance examination of the Commission for the two years ended June 30, 2019, as required by the Illinois State Auditing Act. The accountants stated the Commission complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by the Office of the Auditor General’s staff.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:cmd