



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY

Compliance Examination
For the Two Years Ended June 30, 2017

Release Date: January 29, 2019

| FINDINGS THIS AUDIT: 10 | | | AGING SCHEDULE OF REPEATED FINDINGS | | | | |
|-------------------------|----------|----------|-------------------------------------|----------------|------------|-------------|------------|
| | New | Repeat | Total | Repeated Since | Category 1 | Category 2 | Category 3 |
| Category 1: | 4 | 0 | 4 | 2015 | | 5 | |
| Category 2: | 3 | 3 | 6 | 2013 | | 6, 7 | |
| Category 3: | 0 | 0 | 0 | | | | |
| TOTAL | 7 | 3 | 10 | | | | |

FINDINGS LAST AUDIT: 4

SYNOPSIS

- (17-01) The Authority failed to conduct adequate site visit monitoring of its grantees in accordance with its Federal and State Grants Unit's Policies and Procedures.
- (17-02) The Authority failed to prepare and maintain adequate documentation supporting its administrative and fiscal operations.
- (17-03) The Authority did not exercise adequate controls over the monitoring of grant agreements under its purview.

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.

{ Expenditures and Activity Measures are summarized on next page. }

ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017

| EXPENDITURE STATISTICS | 2017 | 2016 | 2015 |
|---|----------------------|----------------------|----------------------|
| Total Appropriated Expenditures..... | \$ 53,386,851 | \$ 36,560,220 | \$ 51,050,673 |
| OPERATIONS TOTAL..... | \$ 9,461,376 | \$ 8,032,833 | \$ 3,120,098 |
| % of Total Expenditures..... | 17.7% | 22.0% | 6.1% |
| Personal Services..... | 4,983,696 | 4,774,521 | 1,867,356 |
| Other Payroll Costs (FICA, Retirement)..... | 2,660,889 | 2,204,092 | 252,872 |
| All Other Operating Expenditures..... | 1,816,791 | 1,054,220 | 999,870 |
| AWARDS AND GRANTS..... | \$ 43,837,133 | \$ 28,448,664 | \$ 47,929,439 |
| % of Total Expenditures..... | 82.1% | 77.8% | 93.9% |
| REFUNDS..... | \$ 88,342 | \$ 78,723 | \$ 1,136 |
| % of Total Expenditures..... | 0.2% | 0.2% | 0.0% |
| Total Non-Appropriated Expenditures..... | \$ 8,321 | \$ 4,956,346 | \$ 5,642,212 |
| Total Receipts..... | \$ 43,390,463 | \$ 39,580,988 | \$ 49,358,260 |
| Average Number of Employees..... | 75 | 68 | 68 |

| SELECTED ACTIVITY MEASURES | 2017 | 2016 | 2015 |
|--|----------------------|----------------------|----------------------|
| Crime Control, Crime Prevention, and Victim Assistance Program Expenditures | \$ 45,350,000 | \$ 22,785,000 | \$ 41,569,000 |
| Operating Statistics | | | |
| Grants opened..... | 257 | 240 | 303 |
| Grants monitored..... | 1,047 | 662 | 786 |
| Program/fiscal reports processed..... | 2,374 | 2,693 | 2,631 |

| AGENCY DIRECTOR |
|--|
| During Examination Period and Currently: Mr. John Maki, Esq. |

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

FAILURE TO CONDUCT ADEQUATE SITE VISIT MONITORING OF GRANTEES

The Illinois Criminal Justice Information Authority (Authority) failed to conduct adequate site visit monitoring of its grantees in accordance with its Federal and State Grants Unit's Policies and Procedures (FSGU P&P) during the examination period.

Specifically, we noted the following deficiencies:

Listing of all program site visits conducted could not be provided

- The Authority was unable to provide a complete listing of programs for which it had conducted a site visit for during the examination period.
- For 25 out of the 72 programs (35%) which had a site visit conducted, the Authority performed the site visit untimely.
- The Authority did not perform a site visit of the one equipment grant issued (100%) during the examination period.
- For 1 of 1 grant agreements tested (100%) which required a site visit be performed, the Authority did not perform the site visit.
- Of the 47 programs which had a site visit conducted timely by the Authority, we sampled 10 grants to determine if the Authority performed the site visit as required by its FSGU P&P. For all 10 grants selected (100%), documentation of the site visit was considered to be inadequate.
- The Authority was unable to provide its Fiscal Years' 2016 and 2017 risk assessment listings from the FSGU. The risk assessment is the annual process through which the FSGU collects project-specific data regarding each grant and then uses it to select the minimum list of grant programs for site visits. (Finding 1, pages 10-14).

100% of grantee files tested did not have adequate site visit documentation maintained

We recommended the Authority take immediate action to adequately conduct and document the site visits it performs during a state fiscal year for the purposes of monitoring grantees of the grant programs administered by the Authority.

Authority agreed with the recommendation

The Authority agreed with the recommendation and stated it has made great efforts to increase its site visit activities.

GENERAL FAILURE TO PREPARE AND MAINTAIN DOCUMENTATION

Accountants unable to determine Authority's compliance with various statutory regulations.

The Authority failed to prepare and maintain adequate documentation supporting its administrative and fiscal operations during the examination period. As a result, we were unable to determine if the Authority complied with the applicable statutory regulations.

Some of the missing documentation we noted were as follows:

- For 66 of 289 (23%) reconciliations performed of the Monthly Appropriations Status Report (SB01) to the Authority's records, the Authority did not document the date the reconciliations were performed.
- For 11 of the 40 (28%) revenue receipts and for 6 of the 20 (30%) refund receipts we tested, totaling \$4,586,674, the Authority did not document the date the receipts were received.
- For 3 of 26 (12%) employees tested, Fiscal Year 2016 annual performance evaluations were missing from the employee personnel files.
- For 7 of 60 (12%) grant agreements selected for detail testing, we noted the grants' progress reports required to be received by the Authority were not dated. (Finding 2, pages 15-17).

We recommended Authority management and staff take immediate action to strengthen its control over records maintenance.

Authority agreed with the recommendation

The Authority agreed with the recommendation and stated it is currently updating its record retention policies and working to acquire an electronic grant management system.

INADEQUATE CONTROLS OVER MONITORING GRANT AGREEMENT REQUIREMENTS

The Authority did not exercise adequate controls over the monitoring of grant agreements under its purview during the examination period.

During our grant agreement detail testing of 60 grants, some of the deficiencies we noted were as follows:

- Indirect Cost Rate proposals were not on file,
- Corrective Action Plans for Sites at Risk of not Meeting Reduction Goals were not on file,
- Progress reports from the grantees were not dated,
- No disclosures of lobbying activities for subawards were on file,
- Subcontractor agreements were not on file,
- Timekeeping procedures were not on file, and

Numerous documents not on file

Subcontractor agreements not on file

- Grant agreements were signed by the Authority and the grantee after the start of the grant period. The grant agreements were signed between 7 and 193 days late. (Finding 3, pages 18-24).

We recommended the Authority ensure all reporting requirements are adhered to and ensure grant agreements are approved prior to the effective date of the agreement.

Authority agreed with the recommendation

The Authority agreed with the recommendation and stated it has updated its grant policies and will continue to conduct ongoing training for its staff. In addition, the Authority stated they are now using the Grant Accountability and Transparency portal.

OTHER FINDINGS

The remaining findings pertain to inadequate controls over expenditures and obligations, payroll file deductions and performance evaluations, noncompliance with the Gang Witness Protection Act of 2013, failure to report grant information, obsolete provisions of State statute, and noncompliance with Board appointments and meetings. We will review the Authority's progress towards the implementation of our recommendations in our next compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Authority for the two years ended June 30, 2017, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2017-001 through 2017-004. Except for the noncompliance described in these findings, the accountants stated the Authority complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by Adelfia LLC.

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:jv