

**REPORT DIGEST**

**HISTORIC PRESERVATION AGENCY  
FINANCIAL AND COMPLIANCE AUDIT  
(In accordance with the Single Audit Act of 1984  
and OMB Circular A-128)  
FOR THE TWO YEARS ENDED JUNE 30, 1992**

## **FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS**

### **INADEQUATE SUPPORTING DOCUMENTATION FOR FEDERAL PROGRAMS**

The Agency failed to maintain adequate documentation to clearly support its reports of matching expenditures for federally assisted grant programs.

The Agency entered into a grant agreement with the National Park Service (NPS) for federal Fiscal Year 1991. According to the grant agreement, the Agency was required to provide one 50 percent non-federal share of \$379,458 and another 30 percent non-federal share of \$80,098, for a total of \$459,556. Upon completion of the grant period, the Agency filed an end-of-year report showing \$592,116 in non-federal expenditures. However, the Agency could only provide documentation for \$586,249 of non-federal expenditures. This information verified that the Agency had at least met the non-federal share requirements of the grant, but the amounts did not trace to, or support, the numbers in the end-of-year report. (Finding 17, page 109)

We recommended the Agency maintain adequate documentation to support the amounts reported in the end-of-year reports for all grant agreements. The Agency responded that it had developed new methods to better account for grant costs incurred.

### **WEAK CASH RECEIPT CONTROLS**

The controls over cash receipts from cash donations received at historic sites at Cahokia and Galena were not adequate. The duties of collection of cash, deposit of cash, recording of receipts, and bank statement reconciliation were performed by one person. These duties should normally be performed by two or more employees to reduce risk that errors, or illegal acts, might occur and not be detected. (Finding 11, page 23)

We recommended specific improvements to correct this problem with the Agency's cash handling procedures. The Agency has described plans for improving cash handling controls. The improvements include using two staff members to perform the functions and verify each other's work.

### **FEDERAL REPORTS NOT TIMELY FILED**

The Agency failed to file certain reports with the federal government on time as required by federal regulations. We noted that the Fiscal Year 1991 end-of-year report was filed 90 days late, and the complete report was filed 29 days late. Certain quarterly reports also were not submitted timely. This deficiency could result in the loss of federal funding. (Finding 16, page 107)

We recommended the Agency comply with the federal regulations by submitting reports timely. The Agency responded that the reports were filed late due to oversight. In one case, delay was due to disagreements with the grantor agency. The Agency states it has taken steps to avoid the problem in the future.

## **LATE DEPOSIT OF CASH RECEIPTS**

The Agency deposited cash receipts late during our audit period. We tested a sample of 25 deposit transactions and found 13 were deposited from 1 to 14 days late. We could not determine if 6 of the 25 receipts were timely deposited because the date of receipt was not recorded. The Agency deposited a total of \$1.1 million in cash receipts during Fiscal Year 1992 and \$ .8 million during Fiscal Year 1991. (Finding 2, page 11)

We recommended the Agency comply with State Law by depositing receipts in a timely manner and recording the date of receipt. The Agency responded that it concurs and described plans to strengthen controls to meet deposit requirements.

## **MINIMUM STANDARDS FOR ARCHAEOLOGISTS**

The Agency had not established minimum standards of education and experience for an archaeologist or paleontologist to qualify as a professional in accordance with statute (20 ILCS 3425/9). (Finding 6, page 15) This lack of standards could allow unqualified persons to be issued permits for excavation of archaeological or paleontological resources within Illinois.

We recommended the Agency establish standards for archaeologists and paleontologists. The Agency responded that it concurs with our recommendation and that it plans to establish standards as soon as possible.

## **OTHER FINDINGS**

The remaining findings are also significant and are summarized below:

- The Historic Preservation Agency failed to establish a full-time program of internal auditing as required by the Fiscal Control and Internal Audit Act (30 ILCS 10/2001 et. seq.). (Finding 1, page 10)
- The Agency has failed to improve controls over property and equipment. We found its Quarterly Fixed Asset Reports were filed late with the Comptroller in 4 of 8 filings, and were not filed accurately in 5 of 7 filings. (Finding 3, page 12)
- A concession lease at the Cahokia Mounds Site was not approved by the Governor as required by law. (Finding 4, page 13)
- The statutorily required number of trustees of 7 was not maintained. We noted that the Board of Trustees consisted of 6 members. (Finding 5, page 14)
- A report of agency actions and accomplishments was not published as required by law. These actions may include projects undertaken, activities or programs that result in changes in the character or use of historic property. (Finding 7, page 17)

- Audit reports of the Illinois State Historical Society were not filed with the Governor and the Auditor General as required by law. (Finding 8, page 19)
- Petty cash funds were not well controlled and maintained in compliance with CUSAS requirements. Reimbursement requirements were not met before Agency staff processed vouchers to replenish the funds. Funds were not maintained on an imprest basis as required by CUSAS. (Finding 9, page 20)
- The Agency distributed payroll warrants before the scheduled date established by the Comptroller. (Finding 10, page 22)
- The Agency did not formally update its goals and objectives as stated in a four-year plan that covered the period during Fiscal Years 1988 through 1991. (Finding 12, page 25)
- Federal financial assistance subrecipients did not consistently file required reports with the Agency. The failure was attributed to lack of adequate oversight of subgrants by the Agency. (Finding 18, page 110)

### **AUDITOR'S OPINION**

Our staff auditors state that the Historic Preservation Agency's financial statements are fairly presented at June 30, 1992.

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WILLIAM G. HOLLAND, Auditor General

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### **SUMMARY OF AUDIT FINDINGS**

Number of This Audit Prior Audit  
 Findings 179  
 Repeated Findings 36  
 Prior Not Repeated 63

### **AUDITORS ASSIGNED**

This audit was performed by staff of the Office of the Auditor General.