

**REPORT DIGEST**

**DEPARTMENT OF STATE POLICE**

**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**

### **COSTS INCURRED TO SEND EMPLOYEE TO LAW SCHOOL**

In fiscal year 1992 the Department paid about \$55,000 to send an employee, who is a sworn officer, to law school.

The Department agreed to pay all tuition, laboratory and course book fees, full salary, including all benefits, and travel expenses for the employee. The employee agreed to work a minimum of four years for the Department upon completion of the law degree program. If he voluntarily ends his employment within the four year period he is required to repay the Department 25% of the total cost for each year, or portion thereof, not worked.

The Department's Chief Executive Officer certified that this employee was entitled to full time pay plus related benefits even though the employee was only working part-time (a schedule of 20 hours per week, or 1/2 time, was agreed upon). The Department does not have the authority to pay an individual at full salary for less than full time work. The Department placed the employee on temporary duty assignment in their Chicago office to pay travel expenses.

Although tuition reimbursement programs for code employees are not unusual, it is unusual for the State to pay, as it does in this case:

- costs for books, activity and health fees,
- tuition costs at the beginning rather than after successful completion of the course,
- expenses to meet minimum educational requirements of a new profession. (Finding 1, page 10)

The Department said this is a pilot program designed to provide sworn personnel the opportunity to enhance their careers. They also stated the individual was selected from several sworn personnel who submitted applications to participate in the program. We recommended the Department establish a tuition reimbursement program for sworn personnel that would be consistent with the policies effective for code employees.

### **VIOLATIONS OF THE PURCHASING ACT**

The Department did not comply with the Illinois Purchasing Act for building maintenance and remodeling projects in the Armory Building.

The Department did not competitively bid the replacement of major air conditioning components, non-maintenance work of an electrical nature, and the remodeling of many offices, including construction of new walls and replacement of carpeting. We noted several instances in which comparable work was broken down to small projects rather than being combined as larger projects and bid as a package.

The Purchasing Act requires competitive bids to be obtained for repairs, maintenance, remodeling, renovation or construction for expenditures exceeding \$5,000. The Department paid their contractors under maintenance agreements to make these purchases and perform these projects. (Finding 14, page 35)

The Department said steps have been taken to be sure that all future projects exceeding \$5,000 will be competitively bid.

### **ABUSE OF THE APPROPRIATION PROCESS**

The Department purchased \$422,000 of postage, representing about 60% of their total 1992 postage expenditures, in June, 1992. The large supply was purchased to prevent lapsing contractual services appropriations and to lessen the impact of the next year's budget limitations. Department officials at District offices in Area III stated postage warrants were sent to them at year end even though no request for postage had been made. An internal memorandum dated June 26, 1992 was sent to District personnel to let them know that postage vouchers were being processed. The memorandum stated "The warrants are estimated to cover postage needs through June 30, 1993." (Finding 12, page 33)

### **INADEQUATE CONTROL OVER LOCAL AREA NETWORKS (LANs)**

The Department did not have formal policies and procedures for coordinating and maintaining LANs. The Department has LANs at locations throughout the state. All of the LANs have the capability to access the Department's mainframe computer in the Armory.

Some of the more significant deficiencies were:

- some of the available security features and the security monitoring tools were not utilized,
- unique passwords were not always required, and
- passwords were not always required to be changed.

Without formal policies and procedures there is a greater risk that unauthorized access to Department resources and criminal information may be gained and data destroyed. (Finding 7, page 24)

Department officials concurred with our finding and stated that their Information Services Bureau would be responsible for controlling, installing and supporting LANs as well as security functions.

### **COMPUTER OPERATIONS - INADEQUATE DISASTER RECOVERY PLAN AND**

## **INADEQUATE FIRE PROTECTION**

The Department did not have a disaster recovery plan for providing off-site backup of processing capacity, including a facility, telecommunications, and hardware. In addition, the fire extinguishing system for the Information Services Bureau's computer operations facility was insufficient.

The Department had about \$8 million of EDP equipment at a single central site used for the processing of certain accounting applications as well as the Law Enforcement Agencies Data System (LEADS). The information included in the LEADS is used by criminal justice agencies at the local, State and federal government levels.

The Department had hand-held Halon fire extinguishers as the means of fire suppression in their computer facility. A report prepared from an evaluation of the fire protection system cited serious deficiencies in the effectiveness of the hand-held Halon fire extinguishers. (Finding 5, page 19)

Department officials agreed that an alternate computer processing site should be set up and said they are in the process of implementing use of the Department of Central Management Services' facilities in the event of a disaster. They also agreed that the fire protection system needs to be upgraded and said they will address the inadequacies as funding becomes available.

## **QUESTIONED COSTS**

The Department was unable to determine that grant funds received under the Drug-Free Schools and Communities Act were paid out under applicable grant requirements. The Act requires programs to be delivered to a certain percentage of youth meeting "high risk" criteria.

The Department is making a good faith effort to meet the general goals of the Act, but they are unable to check that the required percentage of "high-risk" youth are actually participating in the program. The total expenditures of \$ 4,567,658 for the two years ended June 30, 1992 and \$ 3,449,764 for the two years ended June 30, 1990 must be considered questioned costs until this matter is resolved. (Finding 21, page 136)

Department officials agreed in part. They disagreed with questioning the total grant dollar amount and estimated \$404,780 as questioned costs for FY1991. They also noted that the Governor's Office directed the Department of Alcoholism and Substance Abuse to make sure the high risk requirement was met in FY92.

## **OTHER FINDINGS**

The remaining findings are less significant and have been given appropriate attention by the Department. We will review progress towards the implementation of our recommendations in our next audit.

Mr. Terrance Gainer, Director of the Department of State Police, provided the responses.

### **AUDITOR'S OPINION**

Our auditors state that except for the effects, if any, due to their not observing the taking of physical inventories, the June 30, 1992 financial statements of the Department are fairly presented.

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WILLIAM G. HOLLAND, Auditor General

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### **SUMMARY OF AUDIT FINDINGS**

Number of Current Audit Prior Audit

Findings 18 15

Repeated Findings 6 8

Prior Recommendations Implemented  
or Not Repeated 9 14

### **SPECIAL ASSISTANT AUDITORS**

Our special assistant auditors on this audit were Sikich, Gardner & Co..