

**STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL**

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2010

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

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STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

AGENCY OFFICIALS

Inspector General

Thomas J. Homer

Agency office is located at:

420 Stratton Building
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OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL

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MANAGEMENT ASSERTION LETTER


December 22, 2010

Honorable William G. Holland
Auditor General – State of Illinois
Iles Park Plaza
740 East Ash Street
Springfield, Illinois 62703-3154

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Office of the Legislative Inspector General (Office). We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Office's compliance with the following assertions during the two-year period ended June 30, 2010. Based on this evaluation, we assert that during the years ended June 30, 2010 and June 30, 2009, the Office has materially complied with the assertions below.

- A. The Office has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Office has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Office has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Yours very truly,
Office of the Legislative Inspector General


Thomas Homer, Inspector General

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANTS' REPORTS

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	<u>Report</u>	<u>Report</u>
Findings	1	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

Details of the finding are presented in a separate section of this report.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
10-1	8	Procedural deficiencies	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

There were no material findings noted during the compliance examination for the two years ended June 30, 2008.

EXIT CONFERENCE

The Office of the Legislative Inspector General waived an exit conference in correspondence dated December 22, 2010. Responses to the finding and recommendation were provided by Mr. Thomas Homer, Inspector General, on December 22, 2010.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined State of Illinois, Office of the Legislative Inspector General's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the years ended June 30, 2010. The management of the State of Illinois, Office of the Legislative Inspector General is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Office of the Legislative Inspector General's compliance based on our examination.

- A. The State of Illinois, Office of the Legislative Inspector General has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Office of the Legislative Inspector General has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Office of the Legislative Inspector General has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Office of the Legislative Inspector General's compliance with those

requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Office of the Legislative Inspector General's compliance with specified requirements.

In our opinion, the State of Illinois, Office of the Legislative Inspector General complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2010. However, the results of our procedures disclosed instances of noncompliance, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as item 10-1.

Internal Control

The management of the State of Illinois, Office of the Legislative Inspector General is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Office of the Legislative Inspector General's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Office of the Legislative Inspector General's internal control over compliance.

A *deficiency* in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying schedule of findings as item 10-1. A *significant deficiency over compliance* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter.

The State of Illinois, Office of the Legislative Inspector General's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois, Office of the Legislative Inspector General's responses and, accordingly, we express no opinion on the responses.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2010 and 2009 Supplementary Information for State Compliance Purposes, except for Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2008 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management and is not intended to be and should not be used by anyone other than these specified parties.

BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

December 22, 2010

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2010

10-1. **FINDING** (Procedural deficiencies)

During our testing of the Office of the Legislative Inspector General (Office), we noted the following procedural deficiencies:

- The Office did not prepare or file Fiscal Control and Internal Auditing Act (FCIAA) certifications with the Office of the Auditor General for Fiscal Years 2009 and 2010. FCIAA (30 ILCS 10/3003) requires each chief executive officer of each State agency to conduct an evaluation of their systems of internal fiscal and administrative controls and file a certification regarding the evaluation with the Auditor General by May 1 of each year.
- The Office submitted 2 of 4 (50%) Travel Headquarters (TA-2) reports to the Legislative Audit Commission 63 and 244 days late, respectively. The State Finance Act (30 ILCS 105/12-3) requires agencies to file a semi-annual TA-2 reports with the Legislative Audit Commission for all officers and employees where official headquarters are located other than where their official duties require them to spend the largest part of their working time by January 15th and July 15th each year.
- The Office did not timely record the purchase of 3 equipment items, totaling \$433, on its property control listing. These items were recorded from 73 to 124 days late. The Illinois Administrative Code (44 Ill. Adm. Code Section 5010.400) states agencies shall adjust property records within 30 days of acquisition of equipment items.
- The Office did not prepare or file Annual Real Property Utilization reports with the Department of Central Management Services (Department). The State Property Control Act (30 ILCS 605/7.1(b)) requires agencies to submit an Annual Real Property Utilization Report, or an annual update of the report, on forms required by the Department, by July 31 of each year.
- The Office did not file 1 of 2 (50%) Agency Workforce reports with the Office of the Governor. The Office failed to file its 2008 Agency Workforce report with the Office of the Governor. In addition, the Office failed to prepare and file revised 2006 and 2007 Agency Workforce reports with the Office of the Governor and Secretary of State after auditors noted errors in the reports during the previous compliance examination. The State Employment Records Act (5 ILCS 410 et seq.) requires State agencies to collect, classify, maintain, and report certain employment statistics for women, disabled, and minority groups. Annual

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2010

reports summarizing the information in a prescribed format are required to be filed with the Office of the Governor and the Secretary of State by January 1 each year for the preceding fiscal year. In addition, the Illinois State Auditing Act (30 ILCS 5/3-2.2(b)) states that if the Auditor General determines that a State agency has materially failed to comply with the requirements of the State Employment Records Act, the State agency, within 30 days after release of the audit by the Auditor General, shall prepare and file with the Governor and the Secretary of State corrected reports covering the periods affected by the noncompliance.

- The Office did not post quarterly reports to its website pursuant to State statute. The Office is required by State statute to submit quarterly reports to the General Assembly. We noted the Office prepared and submitted quarterly reports to the General Assembly as required; however, the General Assembly Organization Act (25 ILCS 5/3.1) states that whenever any law or resolution requires a report to the General Assembly, the reporting entity must make a copy of the report available for a reasonable time on its Internet site or on the Internet site of the public entity that hosts the reporting entity's World Wide Web page. The Office did not make a copy of the quarterly reports available on their Internet site.

Office personnel stated the delays and missing reports noted were due to turnover and a vacancy within the Legislative Ethics Commission (Commission), as well as oversight on the part of the Office and a new employee of the Commission.

Periodic evaluations of internal controls are necessary to determine whether existing measures are adequate to safeguard assets, ensure the accuracy and reliability of accounting data, and encourage adherence to legal requirements and prescribed management policy. Failure to file TA-2 reports reduces effective government oversight and is noncompliance with a statutory mandate. Untimely reporting of property transactions reduces the reliability of statewide property information. Failure to file accurate Agency Workforce reports reduces the accuracy and completeness of statewide employment diversity information. Failure to post reports on the Internet reduces the transparency of State government and is noncompliance with State statute. (Finding Code No. 10-1)

RECOMMENDATION

We recommend the Office:

- File its FCIAA certification with the Office of the Auditor General;
- Submit its TA-2 reports to the LAC timely;

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2010

- Timely add property to inventory and timely submit the required property reports in accordance with the Illinois Administrative Code and State statute;
- File accurate Agency Workforce reports with both the Governor and Secretary of State, as well as file corrected Agency Workforce reports timely; and
- Post quarterly reports on its World Wide Web page as required by the law.

OFFICE RESPONSE

Accepted. With respect to the items listed, I have limited knowledge of the first five administrative items listed as the responsibility for those matters has been delegated to the Executive Director of the Legislative Ethics Commission pursuant to an Intergovernmental Agreement. It is my understanding, however, that some or most of the cited deficiencies occurred prior to the employment of the current Executive Director. Based upon my conversations with the current Director, I believe that the cited deficiencies are being resolved and corrected.

Relative to the sixth item noted in the finding concerning the posting of quarterly reports, I acknowledge and accept personal responsibility for the failure of my agency to adhere to the requirement imposed by section 3.1 of the General Assembly Organization Act (25 ILCS 5/3.1) that reports to the General Assembly be made available for a reasonable time on the Internet site of the reporting entity. I acknowledge that provision requires the posting of my Quarterly Reports filed pursuant to section 25-85 of the Ethics Act (5 ILCS 430/25-85). Until this matter was brought to my attention by your office, I was unaware of this requirement which is not found in the Ethics Act (Chapter 5), but rather in the Organization Act (Chapter 25). I have since fully implemented this requirement and have posted both current and past reports on our website with the assistance of the Legislative Information Service.

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2010

Prior Findings Not Repeated

There were no material findings noted during the compliance examination for the two years ended June 30, 2008.

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Changes in State Property
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Lapse Period Spending

- Analysis of Operations:

- Agency Functions and Planning Program
 - Average Number of Employees
 - Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS
 LEGISLATIVE INSPECTOR GENERAL - LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For The Fiscal Year Ended June 30, 2010

Fourteen Months Ended August 31, 2010

P.A. 96-0042 FISCAL YEAR 2010	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures		Approximate Total Expenditures	Approximate Balances Lapsed
			July 1 to August 31	August 31		
General Revenue Fund - 001 Ordinary and Contingent Expenses of the Commission and the Office of the Legislative Inspector General	\$ 312,455	\$ 90,844	\$ 164	\$ 91,008	\$ 91,008	\$ 221,447
Total Fiscal Year 2010	<u>\$ 312,455</u>	<u>\$ 90,844</u>	<u>\$ 164</u>	<u>\$ 91,008</u>	<u>\$ 91,008</u>	<u>\$ 221,447</u>

Note A: Appropriations, expenditures, and lapsed balances were obtained from records of the Agency and have been reconciled to Comptroller records.

Note B: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

Note C: Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

Note D: The Legislative Inspector General and the Legislative Ethics Commission share an appropriation and expenditure data. In both Fiscal Years 2009 and 2010 both entities were reported under the Legislative Ethics Commission's agency code. Therefore, both Fiscal Years 2009 and 2010 appropriation, expenditures, and lapsed balances are reported in the Compliance Attestation Engagement reports for both agencies.

STATE OF ILLINOIS
 LEGISLATIVE INSPECTOR GENERAL - LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For The Fiscal Year Ended June 30, 2009

Fourteen Months Ended August 31, 2009

P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures		Total Expenditures	Balances Lapsed
			July 1 to August 31			
General Revenue Fund - 001 Ordinary and Contingent Expenses of the Commission and the Office of the Legislative Inspector General	\$ 312,455	\$ 99,140	\$ 984	\$ 984	\$ 100,124	\$ 212,331
Total Fiscal Year 2009	<u>\$ 312,455</u>	<u>\$ 99,140</u>	<u>\$ 984</u>	<u>\$ 984</u>	<u>\$ 100,124</u>	<u>\$ 212,331</u>

Note A: Appropriations, expenditures, and lapsed balances were obtained from records of the Agency and have been reconciled to Comptroller records.

Note B: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

Note C: The Legislative Inspector General and the Legislative Ethics Commission share an appropriation and expenditure data. In both Fiscal Years 2009 and 2010 both entities were reported under the Legislative Ethics Commission's agency code. Therefore, both Fiscal Years 2009 and 2010 appropriation, expenditures, and lapsed balances are reported in the Compliance Attestation Engagement reports for both agencies.

STATE OF ILLINOIS
 LEGISLATIVE INSPECTOR GENERAL - LEGISLATIVE ETHICS COMMISSION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30, 2010

	Fiscal Year		
	2010	2009	2008
General Revenue Fund - 001	P.A. 96-0042	P.A. 95-0731	P.A. 95-0348
Appropriations (Net of Transfers)	<u>\$ 312,455</u>	<u>\$ 312,455</u>	<u>\$ 328,900</u>
<u>Expenditures</u>			
Ordinary and Contingent Expenses of the Commission and the Office of the Legislative Inspector General	<u>\$ 91,008</u>	<u>\$ 100,124</u>	<u>\$ 83,218</u>
Lapsed Balances	<u><u>\$ 221,447</u></u>	<u><u>\$ 212,331</u></u>	<u><u>\$ 245,682</u></u>

Note A: Fiscal Year 2010 expenditures and related lapsed balances do not reflect any interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

Note B: The Legislative Inspector General and the Legislative Ethics Commission share an appropriation and expenditure data. In both Fiscal Years 2009 and 2010 both entities were reported under the Legislative Ethics Commission's agency code. See the Analysis of Significant Variations in Expenditures to see a comparison of expenditures in total and by detailed object code.

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2010

	Equipment
Balance at July 1, 2008	\$ 11,074
Additions	-
Deletions	-
Net Transfers	-
Balance at June 30, 2009	\$ 11,074
Balance at July 1, 2009	\$ 11,074
Additions	591
Deletions	-
Net Transfers	(2,578)
Balance at June 30, 2010	\$ 9,087

Note: The above schedule has been derived from Agency records which have been reconciled to property reports submitted to the Office of the Comptroller. The Legislative Inspector General and the Legislative Ethics Commission share an appropriation and expenditure data. All equipment is reported under the Legislative Ethics Commission.

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2010

<u>GENERAL REVENUE FUND – 001</u>	<u>2010</u>		<u>2009</u>
Regular Positions	\$ 45,204	(A)	\$ 76,005
Contractual Payroll Employees	35,400	(B)	536
State Contribution to State Employees' Retirement System	0	(C)	11,254
State Contribution to Social Security	3,968	(D)	5,811
Contractual Services	1,044		967
Travel	1,760	(E)	3,172
Printing	121		0
Commodities	320		0
Equipment	591		201
Electronic Data Processing	36		0
Telecommunications	<u>2,564</u>		<u>2,178</u>
Total General Revenue Fund Expenditures	<u>\$ 91,008</u>		<u>\$100,124</u>

Explanations of significant variations in expenditures (fluctuations of 20% and \$500) for the two years ended June 30, 2010 are presented below:

- (A) The decrease in regular positions expenditures in Fiscal Year 2010 was due to a decrease in the Inspector General's caseload and a decrease in the number of related hours.
- (B) The increase in contractual payroll employee expenditures in Fiscal Year 2010 was due to the Executive Director of the Ethics Commission being paid the entire year as a contractual employee. The previous Executive Director was paid as a regular payroll employee.
- (C) The decrease in state contributions to State Employees' Retirement System expenditures was due to Public Act 96-0045, which did not require agencies to make the contribution during Fiscal Year 2010 for employees paid out of the General Revenue Fund.
- (D) The decrease in state contribution to Social Security expenditures was due to the Executive Director's contractual payroll not being subject to Social Security tax. Therefore, the State was not required to pay an employer match.
- (E) The decrease in travel expenditures was due to a lower case volume and fewer cases requiring travel by the Inspector General during Fiscal Year 2010.

Note: The Legislative Ethics Commission shared an appropriation with the Office of the Legislative Inspector General during Fiscal Year 2009 and Fiscal Year 2010. The above expenditures include both the Office of the Legislative Inspector General's expenditures and the Legislative Ethics Commission's expenditures.

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2010

<u>GENERAL REVENUE FUND – 001</u>	<u>2009</u>		<u>2008</u>
Regular Positions	\$ 76,005		\$ 67,514
Contractual Payroll Employees	536	(A)	0
State Contribution to State Employees' Retirement System	11,254	(B)	5,224
State Contribution to Social Security	5,811		5,147
Contractual Services	967		814
Travel	3,172	(C)	1,343
Commodities	0		240
Equipment	201		0
Telecommunications	<u>2,178</u>	(D)	<u>2,936</u>
Total General Revenue Fund Expenditures	<u>\$ 100,124</u>		<u>\$ 83,218</u>

Explanations of significant variations in expenditures (fluctuations of 20% and \$500) for the two years ended June 30, 2009 are presented below:

- (A) The increase in contractual payroll employee expenditures was due to the current Executive Director of the Ethics Commission, who began employment June 26, 2009, being paid as a contractual employee.

- (B) The increase in state contribution to State Employees' Retirement System expenditures was due to an increase in the retirement rate from 16.561% in Fiscal Year 2008 to 21.049% in Fiscal Year 2009.

- (C) The increase in travel expenditures was due to a higher case volume and more cases that required travel by the Inspector General during Fiscal Year 2009.

- (D) The decrease in telecommunications expenditures was due to one additional meeting held via conference call in Fiscal Year 2008, which was not repeated in Fiscal Year 2009. Additionally, during Fiscal Year 2009, the Commission was without an Executive Director for a portion of the year, resulting in lower utilization of telecommunications services.

Note: The Legislative Ethics Commission shared an appropriation with the Office of the Legislative Inspector General during Fiscal Year 2008 and Fiscal Year 2009. The above expenditures include both the Office of the Legislative Inspector General's expenditures and the Legislative Ethics Commission's expenditures.

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2010

<u>GENERAL REVENUE FUND – 001</u>	<u>2010</u>	<u>2009</u>
Regular Positions	\$ 0	\$ 0
Contractual Payroll Employees	0	0
Employee Retirement Contributions Paid by Employer	0	0
State Contribution to State Employees' Retirement System	0	0
State Contribution to Social Security	0	0
Contractual Services	38	37
Travel	0	303
Printing	0	0
Commodities	0	0
Equipment	0	201
Electronic Data Processing	0	0
Telecommunications	<u>126</u>	<u>443</u>
Total General Revenue Fund Expenditures	<u>\$ 164</u>	<u>\$ 984</u>

We noted no significant lapse period spending during the two years ended June 30, 2010.

Note: The Legislative Ethics Commission shared an appropriation with the Office of the Legislative Inspector General during Fiscal Years 2009 and 2010. The above lapse period expenditures include both the Office of the Legislative Inspector General's expenditures and the Legislative Ethics Commission's expenditures.

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Fiscal Years Ended June 30, 2010

FUNCTIONS

The Office of the Legislative Inspector General (Office) was created in December 2003 by the State Officials and Employees Ethics Act (Act) (5 ILCS 430/et seq.). The Legislative Inspector General is appointed by a joint resolution of the Senate and the House of Representatives.

By statute, the jurisdiction of the Legislative Inspector General is to investigate allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or violations of the Act or violations of other related laws and rules.

The jurisdiction of the Office extends to members of the General Assembly and all state employees whose ultimate jurisdictional authority is a legislative leader, the Senate Operations Commission or the Joint Committee on Legislative Support Services.

The Act states the Legislative Inspector General shall have the following duties:

- To receive and investigate allegations of violations of the Act. The Legislative Inspector General may receive information through the Office of the Legislative Inspector General or through an ethics commission. An investigation may be conducted only in response to information reported to the Legislative Inspector General as provided in this Section and not upon his or her own prerogative. Allegations may not be made anonymously. The Legislative Inspector General has the discretion to determine the appropriate means of investigation as permitted by law.
- To request information relating to an investigation from any person when the Legislative Inspector General deems that information necessary in conducting an investigation.
- To issue subpoenas, with the advance approval of the Legislative Ethics Commission (Commission), to compel the attendance of witnesses for the purposes of testimony and production of documents and other items for inspection and copying and to make service of those subpoenas and subpoenas issued by the Commission.
- To submit reports as required by the Act.
- To file pleadings in the name of the Legislative Inspector General with the Commission, through the Attorney General.
- To assist and coordinate the ethics officers for State agencies under the jurisdiction of the Legislative Inspector General and to work with those ethics officers.
- To participate in or conduct, when appropriate, multi-jurisdictional investigations.
- To request, as the Legislative Inspector General deems appropriate, from ethics officers of State agencies under his or her jurisdiction, reports or information on:
 1. The content of a State agency's ethics training program and

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Fiscal Years Ended June 30, 2010

2. The percentage of new officers and employees who have completed ethics training.

PLANNING PROGRAM

The Office is an investigative body with its powers and duties detailed in the State Officials and Employees Ethics Act. As a result, the Office does not have formal written goals and objectives, but instead operates to fulfill the statutory responsibilities in a timely and efficient manner.

STATE OF ILLINOIS
 LEGISLATIVE INSPECTOR GENERAL – LEGISLATIVE ETHICS COMMISSION
AVERAGE NUMBER OF EMPLOYEES
 For the Two Years Ended June 30, 2010

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Agency records, presents the average number of employees for the Fiscal Years ended June 30,

<u>Division</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Inspector General *	1	1	1
Executive Director **	1	1	1
Total average employees	<u>2</u>	<u>2</u>	<u>2</u>

* The Inspector General is a part-time employee.

** The Executive Director of the Legislative Ethics Commission is a contractual payroll employee and is part-time.

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2010
(Not Examined)

The Office of the Legislative Inspector General (Office) maintained a website for State employees and the general public. This website outlines information about the Office, including its history, legislative authority, and purpose, as well as information about the types of complaints accepted, how complaints are processed, and how investigations are completed. In addition, the website provides contact information for the Office and a link to case initiation forms.

Pursuant to the State Officials and Employees Ethics Act (5 ILCS 430 et seq.), the Office submits quarterly reports summarizing investigation activity to the Legislative Ethics Commission (Commission). Listed below is a compilation of allegation and investigation information reported to the Commission for Fiscal Years 2009 and 2010.

	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>
Number of allegations received	17	11
Number of investigations initiated	17	11
Number of investigations concluded	14	12
Number of total open investigations	5	4