



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

LEGISLATIVE REFERENCE BUREAU

Compliance Examination
 For the Two Years Ended June 30, 2015

Release Date: June 30, 2016

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS																							
	Repeated Since	Category 1	Category 2	Category 3																				
<table border="0"> <tr> <td></td> <td style="text-align: center;"><u>New</u></td> <td style="text-align: center;"><u>Repeat</u></td> <td style="text-align: center;"><u>Total</u></td> </tr> <tr> <td>Category 1:</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Category 2:</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Category 3:</td> <td style="text-align: center;"><u>0</u></td> <td style="text-align: center;"><u>0</u></td> <td style="text-align: center;"><u>0</u></td> </tr> <tr> <td>TOTAL</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> </tr> </table>		<u>New</u>	<u>Repeat</u>	<u>Total</u>	Category 1:	0	0	0	Category 2:	1	0	1	Category 3:	<u>0</u>	<u>0</u>	<u>0</u>	TOTAL	1	0	1	No Repeat Findings			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>																					
Category 1:	0	0	0																					
Category 2:	1	0	1																					
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>																					
TOTAL	1	0	1																					
FINDINGS LAST AUDIT: 0																								

SYNOPSIS

- (15-01) The Bureau lacked sufficient controls over the recording, reporting, and identification of State-owned equipment.

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.}

**LEGISLATIVE REFERENCE BUREAU
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2015**

EXPENDITURE STATISTICS	2015	2014	2013
Total Expenditures.....	\$ 2,431,964	\$ 2,295,676	\$ 2,288,563
Total Receipts.....	\$ 1,469	\$ 7,653	\$ 1,130
Average Number of Employees (Not Examined).....	31	31	30

SELECTED ACTIVITY MEASURES (Not Examined)	2015	2014	2013
Expenditures to prepare and distribute the Legislative Digest*.....	\$ 39,709	\$ 16,337	\$ 35,714
Receipts from sale of Legislative Digest*.....	\$ 825	\$ 935	\$ 990
Number of paid subscriptions to Legislative Digest*	15	17	18
* The Legislative Digest is provided free of charge to General Assembly members and other specified governmental employees.			

AGENCY DIRECTOR	
During Examination Period:	James W. Dodge
Currently:	James W. Dodge

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

PROPERTY CONTROL WEAKNESSES

The Legislative Reference Bureau (Bureau) did not maintain sufficient controls over the recording, reporting, and identification of State-owned equipment. We noted the following:

Property and equipment not reported in the quarter received

Equipment items located but not tagged

“Agency Report of State Property” forms did not document management’s review

Property and Equipment Listing not timely updated

- In three of eight (38%) quarterly “Agency Report of State Property” forms tested, we noted purchases of property and equipment totaling \$23,675 which were not reported in the quarter in which the property and equipment purchased was received.
- Four of sixty (7%) equipment items totaling \$25,150 tested from the Bureau listing of property and equipment were located but not tagged.
- Eight of eight (100%) quarterly “Agency Report of State Property” forms tested did not document evidence of management’s review prior to the form being submitted to the Office of the Comptroller.
- We noted 28 items of property and equipment, totaling \$9,268, in which the Bureau did not timely update their property and equipment listing for items transferred to surplus at the Department of Central Management Services. These transfers were not recorded on the Bureau’s property and equipment listing until 19-33 months after the transfers. (Finding 1, pages 8-10)

According to Bureau management, the discrepancies noted were caused by limitations of the information system used to track State property and oversight in not documenting management’s review of the Agency Report of State Property quarterly reports.

We recommended the Bureau strengthen internal controls over the recording and reporting of property and equipment.

Bureau partially agreed with auditors

Bureau management stated they partially agree with the recommendation. Management disagreed with certain aspects of the finding, citing limitations of the Legislative Information System (LIS). Management stated they are currently in discussions with LIS personnel to address the limitations. Management agreed with other parts of the finding and stated corrective action will be taken.

ACCOUNTANT'S OPINION

We conducted a compliance examination of the Bureau as required by the Illinois State Auditing Act. The auditors stated the Bureau complied, in all material respects, with the requirements described in the report.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:MG

SPECIAL ASSISTANT AUDITORS

Our Special Assistant Auditors for this examination were Doehring, Winders & Company LLP.