

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2009

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009

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STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009

AGENCY OFFICIALS

Executive Inspector General	Mr. James Wright
First Deputy Inspector General	Ms. Sydney Roberts
Chief Fiscal Officer (10/1/08 to current)	Ms. Rochelle Hardy
Chief Fiscal Officer (6/16/08 to 9/30/08)	Vacant
Chief Fiscal Officer (7/1/07 to 6/15/08)	Mr. Stan Ryniewski
Legal Counsel	Mr. Patrick S. Ginty

Offices are located at:

32 West Randolph Street, Suite 1900
Chicago, IL 60601

607 East Adams Street, 14th Floor
Springfield, IL 62701



OFFICE OF EXECUTIVE INSPECTOR GENERAL
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR

PAT QUINN
GOVERNOR

32 WEST RANDOLPH STREET, SUITE 1900
CHICAGO, ILLINOIS 60601

JAMES A. WRIGHT
EXECUTIVE INSPECTOR GENERAL

Honorable William G. Holland
Auditor General
Hes Park Plaza
740 East Ash Street
Springfield, Illinois 62703-3154

May 6, 2010

Dear Mr. Holland:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Office of Executive 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, 2009. Based on this evaluation, we assert that during the years ended June 30, 2009 and June 30, 2008, 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.
- D. The State revenues and receipts collected by the Office are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. The money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Office of Executive Inspector General

James A. Wright
(James A. Wright, Executive Inspector General)

Rochelle Hardy
(Rochelle Hardy, Chief Fiscal Officer)

Patrick S. Ginty
(Patrick S. Ginty, Legal Counsel)

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009

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' REPORT

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	1

Details of findings are presented in the separately tabbed report section of this report.

SCHEDULE OF FINDINGS

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
09-1	9	Noncompliance with the Fiscal Control and Internal Auditing Act	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, 2007.

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009

EXIT CONFERENCE

The finding and recommendation appearing in this report were discussed with Office personnel at an exit conference on April 28, 2010. Attending were:

Office of Executive Inspector General

James Wright, Executive Inspector General
Sydney Roberts, First Deputy Inspector General
Rochelle Hardy, Chief Fiscal Officer

Office of the Auditor General

Courtney Dzierwa, Audit Manager
Jose G. Roa, Audit Supervisor

Responses to the recommendations were provided by Rochelle Hardy, Chief Fiscal Officer in correspondence dated May 5, 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 the State of Illinois, Office of Executive 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 two years ended June 30, 2009. The management of the State of Illinois, Office of Executive Inspector General is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Office of Executive Inspector General's compliance based on our examination.

- A. The State of Illinois, Office of Executive 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 Executive 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 Executive 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.
- D. State revenues and receipts collected by the State of Illinois, Office of Executive Inspector General are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Office of Executive Inspector General on behalf of the State or held in trust by the State of Illinois,

Office of Executive Inspector General have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

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 Executive 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 Executive Inspector General's compliance with specified requirements.

In our opinion, the State of Illinois, Office of Executive Inspector General complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2009. 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 finding 09-1.

Internal Control

The management of the State of Illinois, Office of Executive 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 Executive 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 the State of Illinois, Office of Executive Inspector General's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Office of Executive 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 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* 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 described in finding 09-1 in the accompanying schedule of findings that we consider to be a significant deficiency in internal control over compliance. A *significant deficiency* 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 Executive 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 Executive Inspector General's responses and, accordingly, we express no opinion on them.

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 2009 and the 2008 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 2007 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

May 6, 2010

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2009

09-1. **FINDING** (Noncompliance with the Fiscal Control and Internal Auditing Act)

The Office of Executive Inspector General (Office) did not comply with the Fiscal Control and Internal Auditing Act (FCIAA). The Office did not perform an evaluation of internal controls or prepare and file its FCIAA certification with the Office of the Auditor General during Fiscal Year 2008. In addition, the Office did not timely file its FCIAA certification for Fiscal Year 2009. The Fiscal Year 2009 report was due on May 1, 2009 but was not filed until July 6, 2009, which is 67 days late.

The FCIAA (30 ILCS 10/3003) requires the 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 1st of each year.

Office personnel stated a former employee did not file the FCIAA certification for Fiscal Year 2008 due to a misunderstanding of the annual requirement. Office personnel also stated they were unaware of the requirement for Fiscal Year 2009 but filed as soon as they became aware.

Timely evaluations of internal controls are necessary to determine whether existing controls are adequate to prevent or detect potential risks. (Finding Code No. 09-1)

RECOMMENDATION

We recommend the Office perform timely evaluations of its systems of internal fiscal and administrative controls and timely file annual certifications regarding the evaluation with the Auditor General as required by the FCIAA.

OFFICE RESPONSE

The Office of Executive Inspector General (OEIG) concurs with this finding for noncompliance with the Fiscal Control and Internal Auditing Act (FCIAA). As of May 1, 2010 the OEIG has completed and filed the FCIAA annual certification for FY10 before the due date. Going forward, the OEIG will continue to complete the survey and file the annual certification within the required due date.

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2009

Prior Findings Not Repeated

There were no material findings noted during the compliance examination for the two years ended June 30, 2007.

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009

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
- Comparative Schedule of Cash Receipts
- Reconciliation Schedule of Cash Receipts to Deposits Remitted
to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Receipts
- 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
OFFICE OF EXECUTIVE INSPECTOR GENERAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2009

Fourteen Months Ended August 31, 2009

P.A. 95-0732 APPROPRIATED FUNDS	Appropriations (Net After Transfers)	Expenditures Through 6/30/09	Lapse Period Expenditures 7/01 - 8/31/09	Total Expenditures	Balances Lapsed
General Revenue Fund - 001					
Ordinary and Contingent Expenses of the Office of Executive Inspector General	\$ 6,931,315	\$ 6,609,133	\$ 45,973	\$ 6,655,106	\$ 276,209
State Employee Retirement Supplemental Appropriation	196,625	0	0	0	196,625
Total Fiscal Year 2009	<u>\$ 7,127,940</u>	<u>\$ 6,609,133</u>	<u>\$ 45,973</u>	<u>\$ 6,655,106</u>	<u>\$ 472,834</u>

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

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2008

Fourteen Months Ended August 31, 2008

P.A. 95-0348 APPROPRIATED FUNDS	Appropriations (Net After Transfers)	Expenditures Through 6/30/08	Lapse Period Expenditures 7/01 - 8/31/08	Total Expenditures	Balances Lapsed
General Revenue Fund - 001					
Ordinary and Contingent Expenses of the Office of Executive Inspector General	\$ 6,931,315	\$ 5,696,376	\$ 106,706	\$ 5,803,082	\$ 1,128,233
Total Fiscal Year 2008	<u>\$ 6,931,315</u>	<u>\$ 5,696,376</u>	<u>\$ 106,706</u>	<u>\$ 5,803,082</u>	<u>\$ 1,128,233</u>

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

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES,
AND LAPSED BALANCES**

	Fiscal Year		
	2009	2008	2007
General Revenue Fund - 001	P.A. 95-0732	P.A. 95-0348	P.A. 94-0798
Appropriations (Net After Transfers)	\$ 7,127,940	\$ 6,931,315	\$ 6,705,100
<u>Expenditures</u>			
Ordinary and Contingent Expenses of the Office of Executive Inspector General	\$ 6,655,106	\$ 5,803,082	\$ 6,018,773
State Employee Retirement Supplemental Appropriation	0	0	0
Total Expenditures	\$ 6,655,106	\$ 5,803,082	\$ 6,018,773
Lapsed Balances	\$ 472,834	\$ 1,128,233	\$ 686,327

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2009

	Equipment
Balance at July 1, 2007	\$ 620,738
Additions	60,636
Deletions	402
Net Transfers	0
Balance at June 30, 2008	\$ 680,972
Balance at July 1, 2008	\$ 680,972
Additions	45,093
Deletions	2,260
Net Transfers	0
Balance at June 30, 2009	\$ 723,805

Note: The above schedule has been derived from Office records, which have been reconciled to property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ended June 30,

<u>GENERAL REVENUE FUND - 001</u>	Fiscal Year		
	2009	2008	2007
Reimbursements for Jury Duty and Recoveries	\$ 217	\$ 64	\$ 134
Miscellaneous	19	128	79
Repayment to State	733	111	0
Reduction of Petty Cash Fund	0	200	0
Total Receipts	<u>\$ 969</u>	<u>\$ 503</u>	<u>\$ 213</u>

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
For the Fiscal Years Ended June 30,

<u>GENERAL REVENUE FUND - 001</u>	Fiscal Year		
	2009	2008	2007
Receipts per Office Records	\$ 969	\$ 503	\$ 213
Add: Deposits in Transit, Beginning of Year	0	0	0
Less: Deposits in Transit, End of Year	320	0	0
Deposits Remitted to the Comptroller	<u>\$ 649</u>	<u>\$ 503</u>	<u>\$ 213</u>

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2009

GENERAL REVENUE FUND - 001	Fiscal Year	
	2009	2008
Personal Services	\$ 4,133,884	\$ 3,802,949
Contractual Payroll Employees	25,478	41,204
State Contribution to State Employees' Retirement System	872,508	631,849
State Contribution to Social Security	301,715	278,564
State Contribution to Social Security and Medicare – Contractual Employees	1,949	3,152
Contractual Services	1,052,228	775,676
Travel	47,309	47,279
Commodities	38,002	32,445
Printing	1,448	1,963
Equipment	33,246	49,766
Telecommunications	120,638	108,593
Operation of Automotive Equipment	26,701	29,642
Total General Revenue Fund Expenditures	\$ 6,655,106	\$ 5,803,082

Explanations of significant variations in expenditures for the year ended June 30, 2009 are presented below:

- (A) (C) The decrease in expenditures for contractual payroll employees was due to the Office's legal interns working fewer hours in Fiscal Year 2009 than in Fiscal Year 2008. As a result, related Social Security and Medicare contributions also decreased.
- (B) The increase in State Contribution to State Employees' Retirement System Expenditures was due to the required contribution percentage increasing from 16.561% in Fiscal Year 2008 to 21.049% in Fiscal Year 2009.
- (D) The increase in expenditures for contractual services was due to payments owed to the vendor administering and developing the online ethics training program. During Fiscal Year 2009, application and development fees were paid. In Fiscal Year 2008, only development fees were paid because the vendor did not complete the work as scheduled due to difficulties with its subcontractor. During Fiscal Year 2009, though, the application project was completed, and the Office paid the vendor for the balance of work completed during that fiscal year.
- (E) The decrease in expenditures for equipment was due to the purchase of a new automobile in Fiscal Year 2008 while no new vehicles were purchased in Fiscal Year 2009.

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2009

GENERAL REVENUE FUND - 001	Fiscal Year	
	2008	2007
Personal Services	\$ 3,802,949	\$ 3,579,586
Contractual Payroll Employees	41,204	38,794
State Contribution to State Employees' Retirement System	631,849	413,006
State Contribution to Social Security	278,564	261,893
State Contribution to Social Security and Medicare – Contractual Employees	3,152	2,968
Contractual Services	775,676	1,409,149
Travel	47,279	43,329
Commodities	32,445	54,827
Printing	1,963	3,892
Equipment	49,766	87,866
Telecommunications	108,593	104,752
Operation of Automotive Equipment	29,642	18,711
Total General Revenue Fund Expenditures	\$ 5,803,082	\$ 6,018,773

Explanations of significant variations in expenditures for the year ended June 30, 2008 are presented below:

- (A) The increase in State Contribution to State Employees' Retirement System expenditures was due to the required contribution percentage increasing from 11.525% in Fiscal Year 2007 to 16.561% in Fiscal Year 2008.
- (B) The decrease in expenditures for contractual services was due to initial payments to the vendor for online ethics training in Fiscal Year 2007. In Fiscal Year 2007, the contract with the prior vendor expired, and a new contract was entered into with a new vendor, which required up front payments of \$390,500 for application, development, and configuration fees. In Fiscal Year 2008, only the course development fees were paid to the vendor.
- (C) The decrease in expenditures for commodities was due to the purchase of office supplies in fiscal year 2007 for several new hires in the Chicago and Springfield offices.
- (D) The decrease in printing expenditures was due to a decrease in the number of annual reports printed. A smaller number of Fiscal Year 2007 annual reports were printed during Fiscal Year 2008, compared to the number of Fiscal Year 2006 annual reports that were printed during Fiscal Year 2007.

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2009

- (E) The decrease in expenditures for equipment was due to the purchase of two vehicles and office furniture for the Chicago and Springfield offices in Fiscal Year 2007, compared to only one vehicle purchased in Fiscal Year 2008.
- (F) The increase in expenditures for operation of automotive equipment was due to an increase in automobile repair and maintenance, in addition to an increase in cost for gasoline, oil, and antifreeze in Fiscal Year 2008, for the Office's growing fleet of vehicles.

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2009

Significant variations in receipts are considered to be those varying between years by more than 20% and \$200.

Fiscal Year 2008 to 2009

General Revenue Fund – 001

Repayment to State: Increased \$622 (560%)

The increase is due to the Office receiving employee reimbursements amounting to \$188 for Chicago Bar Association membership dues paid by the Office, the Office receiving a refund amounting to \$225 for an excess payment made to Diners Club, and the Office receiving employee reimbursements of \$320 for auto liability insurance paid by the Office as part of the employee's rental car expense.

Fiscal Year 2007 to 2008

General Revenue Fund – 001

Reduction of Petty Cash: Increased \$200 (100%)

The increase is due to the Office reducing its petty cash account by \$200. This one-time transaction reduced the authorized balance from \$500 to \$300, decreasing the amount of money tied up in this account and improving the turnover ratio toward guidelines set forth by the State Comptroller.

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2009

GENERAL REVENUE FUND - 001	Fiscal Year	
	2009	2008
Personal Services	\$ -	\$ -
Contractual Payroll Employees	1,012	2,469
State Contribution to State Employees' Retirement System	-	-
State Contribution to Social Security	-	-
State Contribution to Social Security and Medicare – Contractual Employees	78	189
Contractual Services	17,943	40,736
Travel	2,711	3,511
Commodities	2,081	7,941 C
Printing	1,270 A	1,222 D
Equipment	10,168 B	26,317 E
Telecommunications	8,932	20,756
Operation of Automotive Equipment	1,778	3,565
Interest Prompt Payment	-	-
Total General Revenue Fund Expenditures	\$ 45,973	\$ 106,706

Explanations for significant lapse period spending (spending greater than 20% of expenditures) are presented below for the years ended June 30, 2009 and June 30, 2008:

- (A) **(D)** The lapse period expenditures for printing in Fiscal Year 2008 and Fiscal Year 2009 were due to printing orders for annual reports. Invoices for the printing orders were not received and processed until the lapse period.
- (B) The lapse period expenditures for equipment in Fiscal Year 2009 were due to the purchase of computer equipment for the Springfield office, in addition to purchases of office chairs and legal books. The equipment items were ordered and received prior to June 30; however, the invoices were not received and processed until the lapse period.
- (C) The lapse period expenditures for commodities in Fiscal Year 2008 were due to the purchase of paper and toner for multiple copiers and printers. The items were ordered and received prior to June 30; however, the invoices were not received and processed until the lapse period.
- (E) The majority of lapse period expenditures for equipment in Fiscal Year 2008 were for an automobile purchase which was ordered prior to June 30; however, the invoice was not received and processed until the lapse period.

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Fiscal Years Ended June 30, 2009

FUNCTIONS

The Office of Executive Inspector General (Office) was originally created by Executive Order in January 2003. In December 2003, the State Officials and Employees Ethics Act (Act) (5 ILCS 430/20-10) created the Office of the Executive Inspector General under the Governor as a fully independent office. The Executive Inspector General is appointed by the Governor with the advice and consent of the Senate.

By statute, the jurisdiction of the Executive 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 the Governor, his staff, State agencies, departments, boards, commissions, and any other entities appointed, employed, controlled, directed, or subject to the authority of the Governor.

The State Officials and Employees Ethics Act states the Executive Inspector General shall have the following duties:

- To receive and investigate allegations of violations of the Act. The Executive Inspector General may receive information through the Office of any Executive Inspector General or through an ethics commission. An investigation may be conducted only in response to information reported to the Executive Inspector General as provided in the Act and not upon his or her own prerogative. Allegations may not be made anonymously.
- To request information pertaining to an investigation from any person when the Executive Inspector General deems that information necessary in conducting an investigation.
- To issue subpoenas 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 Executive Ethics Commission.
- To submit reports as required by the Act.
- To file pleadings in the name of the Executive Inspector General with the Executive Ethics Commission through the Attorney General.
- To assist and coordinate the ethics officers for State agencies under the jurisdiction of the Executive Inspector General and to work with those ethics officers.
- To participate in or conduct, when appropriate, multi-jurisdictional investigations.

STATE OF ILLINOIS
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For the Two Fiscal Years Ended June 30, 2009

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

Matters investigated by the Office may also fall within the jurisdiction of other agencies. In such cases, the Office may make a referral to or work together with other agencies to investigate complaints.

Another responsibility of the Office is to oversee the ethics training for the agencies of the Illinois Governor and for those officials, employees and appointees of State agencies, boards and commissions that fall under its authority. The Office determines ethics training standards and the frequency of training necessary for each employee position or category of positions. The Office provides training materials to enable agencies, boards and commissions to administer 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 its statutory responsibilities in a timely and efficient manner.

The Office's upper management conducts strategic planning. The Executive Inspector General and the First Deputy Inspector General conduct monthly meetings with upper management to identify future programs, goals, budget, and objectives for the Office. In addition, the Office's Investigations division conducts weekly meetings to address ethical issues arising from current investigations. Oversight by upper management of daily operations along with employee training assists the Office with achieving its statutory responsibilities.

In addition, the Office's Policies and Procedures Manual and the Office's Personnel Manual help implement and communicate the responsibilities set forth in the State Officials and Employees Ethics Act.

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
AVERAGE NUMBER OF EMPLOYEES
For the Fiscal Years Ended June 30,

AVERAGE NUMBER OF EMPLOYEES

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

<u>Division</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Administration	8	8	9
Fiscal	3	3	3
Investigations and Legal	47	47	40
Ethics Training	<u>4</u>	<u>4</u>	<u>4</u>
 Total average full-time employees	 <u><u>62</u></u>	 <u><u>62</u></u>	 <u><u>56</u></u>

STATE OF ILLINOIS
OFFICE OF EXECUTIVE INSPECTOR GENERAL
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Two Fiscal Years Ended June 30, 2009

The Office of Executive Inspector General (Office) maintained a statewide, toll-free hotline to receive complaints regarding fraud, waste, abuse, and ethics violations made by State employees and those individuals doing business with the State. The hotline is open to Illinois citizens 24 hours a day, seven days a week, and is staffed by the Office. The Office received 4,696 and 8,523 calls in Fiscal Year 2008 and Fiscal Year 2009, respectively.

The Office also 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 complaint forms.

The Office provides annual ethics training for State employees. Training can be administered online and offline. The online training is an interactive program consisting of scenario-based lessons, self-assessment questions, and resource references, as well as frequently asked questions and answers. The training is designed to be self-administered on a fully independent basis. The Office provides training guidelines to agencies to administer offline training. The Office provided 129,666 and 123,812 people online training and 36,564 and 34,556 people offline training in Fiscal Year 2008 and Fiscal Year 2009, respectively, for employees under the Office's jurisdiction.

Listed below is a compilation of complaint and investigation information reported for Fiscal Years 2008 and 2009.

	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>
Complaints received	1,242	1,303
Cases referred	659	720
Cases declined	187	298
Investigations concluded	316	191
Cases founded	107	90
Cases unfounded	103	73
Administrative closings	106	28
Complaints referred to Attorney General	6	5
Actions filed with the Executive Ethics Commission	6	3