

## **REPORT DIGEST**

### **ILLINOIS RACING BOARD FINANCIAL AND COMPLIANCE AUDIT FOR THE YEAR ENDED JUNE 30, 1992**

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

### **LACK OF FULL COMPLIANCE WITH THE FISCAL CONTROL AND INTERNAL AUDITING ACT**

The Board's internal auditing program did not fully meet the requirements of the Fiscal Control and Internal Auditing Act (FCIAA).

The Board did not develop a formalized two year audit plan as required by FCIAA. In addition, there were no formal internal audit reports issued during the audit period. (Finding 2, page 13)

The Board maintained that informal records show that all required audits were performed. However, it recognizes that the lack of a formal audit plan and audit reports is not in compliance with FCIAA. We recommended the Board comply fully with the Act and adequately document its compliance.

### **CASH RECEIPTS NOT DEPOSITED PROMPTLY**

Board employees did not always deposit cash receipts into the State Treasury promptly as required by statute. Of the 54 receipts we tested, 13 were not deposited within 48 hours as required. Failure to deposit receipts on a timely basis causes the loss of interest income to the State. (Finding 3, page 15)

The Board agreed with our recommendation to revise procedures to ensure submission of receipts to the State Treasury promptly.

### **INCOMPLETE CONTROL OVER PROPERTY AND EQUIPMENT**

The Board's procedures did not ensure complete accountability for its property and equipment. The "Agency Report of Fixed Assets," that is submitted to the Comptroller quarterly, was overstated by \$380,000, which represents 12% of the Board's inventory balance.

We found that the Board had begun to dedicate significant resources to achieving accountability over its property and equipment. However, this process was not complete at the end of our audit fieldwork. (Finding 1, page 9)

We recommended that the Board complete its implementation of a system of internal accounting controls over property and equipment. The Board agreed and reported significant progress since the end of our audit.

### **OTHER FINDINGS**

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

Mr. Joseph J. Sinopol, Executive Director of the Illinois Racing Board, provided the responses.

### **AUDITOR'S OPINION**

Our auditors state that the June 30, 1992 financial statements of the Board are fairly stated.

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WILLIAM G. HOLLAND, Auditor General

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## **SUMMARY OF AUDIT FINDINGS**

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Findings	9	25
Repeated Findings	5	11
Prior Recommendations Implemented Or Not Repeated	20	14

## **SPECIAL ASSISTANT AUDITORS**

Our special assistant auditors for this audit were Arthur Andersen & Co.

ILLINOIS RACING BOARD

JUNE 30, 1992

## **CROSS REFERENCE TO ILLINOIS COMPILED STATUTES**

Presented below are the proper citations in the new Illinois Compiled Statutes for the Illinois Revised Statutes cited in audit findings in this report.

<u>Illinois Revised</u>	<u>Illinois Compiled</u>		
<u>Page No.</u>	<u>Finding No.</u>	<u>Statutes</u>	<u>Statutes</u>

13	2	Chapter 15, par 1001	30 ILCS 10/1001
18	5	Chapter 8, par 37.20(j)	230 ILCS 5/20

