



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

SUPREME COURT HISTORIC PRESERVATION COMMISSION

COMPLIANCE EXAMINATION

For the Two Years Ended: June 30, 2013

Release Date: December 19, 2013

Summary of Findings:

Total this audit:	2
Total last audit:	3
Repeated from last audit:	2

SYNOPSIS

- The Supreme Court Historic Preservation Commission (Commission) did not maintain adequate controls over the recording and reporting of its State property.
- The Commission lacked adequate controls over its receipts and refunds processing.

{Expenditures are summarized on the reverse page.}

**SUPREME COURT HISTORIC PRESERVATION COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2013**

EXPENDITURE STATISTICS	2013	2012	2011
Total Appropriations.....	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Total Expenditures.....	\$ 628,790	\$ 579,340	\$ 924,740
Total Receipts.....	\$ 2,687	\$ 26,658	\$ 808
Average Number of Employees.....	3	2	4

AGENCY DIRECTOR
During Examination Period: John Lupton
Currently: John Lupton

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**NEED TO IMPROVE CONTROLS OVER STATE
PROPERTY**

Lack of controls over property

The Supreme Court Historic Preservation Commission (Commission) did not maintain adequate controls over the recording and reporting of its State property. Some of the conditions noted during our testing follow:

Noncompliance with reporting requirements

- The Commission did not comply with the Agency Report of State Property (C-15) reporting requirements. Beginning balances of three of eight (38%) C-15 reports were not consistent with prior quarter balances. Transfer of surplus property, totaling \$3,343, was not timely and accurately reported in the C-15 report. Seven equipment items, totaling \$4,377, were not reported in the C-15 report.

Incorrect property listing

- The Commission did not properly document the location of 19 of 30 (63%) equipment items on the property listing. (Finding 1, pages 9-11) **This finding was first reported in 2009.**

We recommended the Commission strengthen internal controls over recording and reporting of its property.

Commission agrees with auditors

Commission management accepted the finding and recommendation and stated they have corrected C-15 reports, added the cost of freight to the equipment item and updated property records. *(For the previous Commission response, see Digest Footnote #1.)*

NEED TO IMPROVE CONTROLS OVER RECEIPTS

Lack of controls over receipts

The Commission did not maintain adequate controls over receipts processing. Some of the conditions noted during our testing follow:

Receipts deposited untimely

- The Commission deposited two of seven receipts (29%) 22 to 46 business days from the date of receipt.

Receipt Deposit Transmittal form submitted untimely

- The Commission submitted one of seven (14%) Receipt Deposit Transmittal forms to the Office of the Comptroller 33 business days from the date of issuance of the draft.

Receipts coded incorrectly

- Four of seven (57%) receipts tested were erroneously coded under miscellaneous receipts instead of private organization or individual receipts.

Receipt reconciliations not performed

- The Commission did not reconcile receipts to the Office of the Comptroller. (Finding 2, pages 12-14) **This finding was first reported in 2011.**

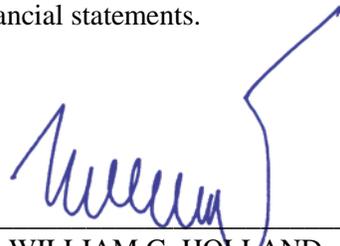
We recommended the Commission strengthen its internal controls over receipts processing.

Commission agrees with auditors

Commission management accepted the finding and recommendation and stated they will place greater emphasis on processing receipts and refunds correctly. *(For the previous Commission response, see Digest Footnote #2.)*

AUDITORS' OPINION

We conducted a compliance examination of the Commission as required by the Illinois State Auditing Act. The Commission has no funds that require an audit leading to an opinion of financial statements.



WILLIAM G. HOLLAND
Auditor General

WGH:SW:rt

AUDITORS ASSIGNED

E.C. Ortiz & Co., LLC were our special assistant auditors for this engagement.

DIGEST FOOTNOTES

#1 NEED TO IMPROVE CONTROLS OVER STATE PROPERTY – Previous Commission Response

The Commission agrees that it did not properly maintain controls over the recording and reporting of its State property. At the end of FY11, key staff left the Commission. The Director of Communication assumed responsibility for the management of property and immediately instituted better practices. The Commission believes that it has already strengthened internal controls over its property by 1) reducing unnecessary property by returning items to surplus; 2) educating ourselves as to the specific requirements of C-15 reports; 3) managing donated property with better recordkeeping; and 4) creating a more streamlined method of organizing and recording property.

**#2 NEED TO IMPROVE CONTROLS OVER RECEIPTS –
Previous Commission Response**

The Commission agrees that it did not properly maintain controls over receipts processing. The Commission will take greater measures to strengthen controls over receipts processing. At the end of the last fiscal year, key staff left the agency. The Director of History Programs has agreed to assume responsibility for receipts processing and will gain proper education regarding the requirements and best practices to process income. With the correct knowledge, the Commission will work to correct the issues in this finding.