

2001

Annual Report

STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL



William G. Holland
Auditor General

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

March 1, 2002

Honorable Members of the General Assembly
The Legislative Audit Commission
The Honorable George Ryan, Governor
Citizens of Illinois

Ladies and Gentlemen:

In compliance with Section 3-15 of the Illinois State Auditing Act, I submit the Annual Report of the Office of the Auditor General for the year ended December 31, 2001.

I have always believed the audit process cannot have value unless it is fair. With this in mind, my goal has been to present objective, balanced and unbiased audits. In part, that goal has been made possible by certain standards adopted and enforced by me since I took office in 1992 that are more stringent than those in the general auditing community. These standards, which are an integral part of our audit process, include:

- A prohibition against firms under contract with my Office from providing consulting services to the State agencies for which they are acting, on my behalf, as external auditors;
- A limit on the number of years a firm can audit the same State agency;
- A prohibition against an external auditor providing internal auditing services to the State agency over which the firm has external audit responsibilities through my Office;
- A contractual requirement that every firm maintain all audit working papers and reports for a minimum of five years following the audit's release.

I thank all those who made possible the results reported in this Annual Report including, in particular, members of the General Assembly, members and staff of the Legislative Audit Commission, and the staff of this office.

Yours truly,

A handwritten signature in black ink, appearing to read "William G. Holland", with a long, sweeping flourish extending upwards and to the right.

WILLIAM G. HOLLAND
Auditor General

TABLE OF CONTENTS

OVERVIEW	1
PUBLIC INFORMATION	2
CONTINUING EDUCATION AND TRAINING REQUIREMENTS	3
COMPLIANCE AUDIT PROGRAM	4
Accountability	5
Tuition Waivers Follow-up	9
Federal Auditing/Single Audit Process	10
Peer Review/Other Audit Responsibilities	11
PERFORMANCE AUDIT PROGRAM	12
Audits Completed in 2001	13
Audits in Progress	17
INFORMATION SYSTEMS AUDIT PROGRAM	20
ISA Findings	21
ORGANIZATIONAL CHART	22
CLAIMS DUE THE STATE AND METHODS OF COLLECTION	23
SUMMARY OF APPROPRIATIONS AND EXPENDITURES	23
COMPLIANCE AUDITS COMPLETED IN 2001	24
PERFORMANCE AUDITS 1980-2001	28

OVERVIEW

Since August 1992, William G. Holland has served as Auditor General of the State of Illinois. He was appointed by the General Assembly to a ten-year term on July 2, 1992.

As a constitutional officer, the Auditor General audits public funds of the State and reports findings and recommendations to the General Assembly and to the Governor. The establishment of the Auditor General under the Legislature is important. It ensures that the Legislature, which grants funds and sets program goals, will ultimately review program expenditures and results. Thus, agencies are accountable to the people through their elected representatives.

The Auditor General's office performs several types of audits to review State agencies. Financial and Compliance audits are mandated by law. They disclose the obligation, expenditure, receipt, and use of public funds. They also provide agencies with specific recommendations to help ensure compliance with State and federal statutes, rules, and regulations.

Performance audits are conducted at the request of legislators to assist them in overseeing government. Programs, functions, and activities are reviewed according to the direction of the audit resolution or law directing the audit. The General Assembly may then use the audit recommendations to develop legislation for the improvement of government.

Information Systems audits are performed on the State's computer networks. They determine whether appropriate controls and recovery procedures exist to manage and protect the State's financial and confidential information.

Copies of all audits are made available to members of the Legislature, the Governor, the media, and the public. Findings include areas such as accounts receivable, contracts, expenditure control, leases, misappropriation of funds, personnel and payroll, property control, purchasing, reimbursements, computer security, telecommunications, and travel.

Audit reports are reviewed by the Legislative Audit Commission in a public hearing which includes the agency's officials. Testimony is taken from the agency regarding the audit findings and the plans the agency has for corrective action. In some cases, the Commission may decide to sponsor legislation to correct troublesome fiscal problems brought to light by the audit. All outstanding recommendations are reviewed during the next regularly scheduled audit of the agency; or, if the Commission requests, a special interim audit may be conducted. •

PUBLIC INFORMATION

An audit and its supporting workpapers, unless confidential by, or pursuant to, law or regulation, are public documents once the report has been officially released to the Legislature, the public, and the press. These documents are available for review in our Springfield and Chicago offices.

The following information is also available by request:

- Late Filing Affidavits
- Emergency Purchase Affidavits
- Professional or Artistic Services Affidavits
- Contractual Services Certifications

Information about the Auditor General is now available on a Home Page on the Internet.

This information includes current digests of financial/compliance audits and the year each Illinois state agency is audited. Also available is information on our performance and information systems audits.

We believe a presence on the Internet enhances the public's access to our audits.

OUR INTERNET ADDRESS IS:

<http://www.state.il.us/auditor>

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CONTINUING EDUCATION AND TRAINING REQUIREMENTS ---

The U.S. General Accounting Office (GAO) has established the Yellow Book which contains standards for audits of governmental organizations, programs, activities, and functions. The first general standard in the Yellow Book requires that auditors should collectively possess adequate professional proficiency for the tasks required. This standard establishes continuing education requirements for those auditors who are responsible for planning, directing, conducting, or reporting on governmental audits performed in accordance with Yellow Book Standards.

This training requirement first became effective January 1, 1989 and states that auditors must complete 80 hours of Continuing Education and Training every 2 years, with a minimum of 20 hours in any one year. Additionally, at least 24 of the 80 hours should be in subjects directly related to the government environment and to government auditing. The most recent completed two-year period for training requirements as measured by the Office of the Auditor General was January 1, 1999 through December 31, 2000. All required auditors, audit directors, and information specialists were in compliance with the training requirements for that two year measuring period.

Additionally, the Office of the Auditor General is a registered sponsor with the Department of Professional Regulation and complies with the rules of the Illinois Public Accounting Act. •

THE COMPLIANCE AUDIT PROGRAM

The Auditor General is required by the Illinois State Auditing Act to conduct a financial and compliance audit of every State agency at least once every two years. These audits inform the public, the Legislature, and State officers about the obligation, expenditure, receipt, and use of public funds and provide State agencies with specific recommendations to help ensure compliance with State and federal statutes, rules, and regulations.

The Compliance Audit Division conducted 147 compliance, financial, federal, and special audits in 2001. Staff auditors conducted 13 of these audits. The remainder were performed by public accounting firms under the general direction and management of the Auditor General's audit managers.

The Illinois Constitution of 1970 revised and expanded the traditional financial audits conducted of State agencies to focus on compliance with legislative intent and proper performance of governmental operations, as well as financial accountability.

The compliance audit program has a positive impact on the operations of State government because agencies implement many of the recommendations made in these audits. Compliance audits are also reviewed by the Legislative Audit Commission where legislators question agency directors about audit findings and the corrective action they plan to take. Legislators and their staffs also use compliance audits during appropriation hearings in the spring legislative session. To maximize the usefulness of audit information, the Office attempts to deliver audits as early as possible in the legislative session. •

ACCOUNTABILITY

A number of compliance audits issued in 2001 had findings which were critically important from an accountability standpoint.

LACK OF SUPPORTING DOCUMENTATION AND CONTROLS OVER MONITORING UNEMPLOYMENT CLAIMS

The **Department of Natural Resources** did not maintain necessary records to adequately monitor unemployment benefits paid by the State. The State paid unemployment benefits of approximately \$204,252 to Department employees. We selected 25 unemployment claims for testing and noted the following:

- 19 of 25 (76%) "Notice of Claim to Chargeable Employer or Other Interested Party" forms could not be located by the Department.
- One of the six same forms was not reviewed within the required ten-day review period. The form was reviewed 19 days late.
- One of 25 (4%) persons paid unemployment compensation totaling \$279 was not an employee of the Department.

Department of Employment Security rules and the Illinois Unemployment Insurance Act establish the procedures the Department must follow regarding unemployment claims. In addition, the Department has its own Unemployment Compensation policies and procedures.

We recommended the Department comply with Department of Employment Security rules and the Unemployment Insurance Act. Also, the Department should maintain appropriate documentation to support its reviews and decisions on unemployment benefit claims filed and benefits paid.

Department officials agreed with our recommendation.

Northeastern University failed to develop adequate controls over the review of unemployment benefit claims and payments. This resulted in questionable benefits being paid by the State to

employees who were still receiving a paycheck from the University. We sampled 12 former/current University employees who received \$20,283 in unemployment benefits. We noted the following:

- In 50 percent (6 of 12) of the cases, we questioned the appropriateness of \$3,471 paid out in unemployment benefits.
- Four questionable cases were for employees receiving a paycheck and unemployment check simultaneously.
- In one case, a student received unemployment but the University was unable to provide unemployment claim information.

We recommended the University further develop their policies and procedures for the review of unemployment benefit activity. University officials agreed with our finding and recommendation.

Illinois State University's failure to develop adequate, formalized controls for its review of unemployment benefit claims and payments resulted in \$11,672 in questionable unemployment benefits being paid. We sampled 15 current unemployment claims and found 3 cases (or 20 percent) where questionable benefits, totaling \$11,672, were paid by the State to former University employees.

- An employee who should have been terminated for misconduct was paid \$8,232 in unemployment benefits by the State. The University allowed the individual to resign in lieu of termination.

Two months after his separation, the University rehired this same person in an extra-help position, paying him wages while he was also receiving unemployment compensation. According to University records, the University did not protest this situation. A staff member who processed unemployment activity did not compare the payroll and the quarterly unemployment statements to detect instances of simultaneous wage and unemployment benefit payments.

- Two other individuals received a combined total of \$3,440 in unemployment benefits while they also were receiving vacation payouts upon

termination. The payment of vacation in connection with a separation or layoff is treated as wages earned and can affect the eligibility for unemployment benefits. While the University did report the vacation payout to the Department of Employment Security, it failed to specify which period and amount was being allocated to the unemployment period at issue. Thus, in these cases, the protest lacked sufficiency, and the benefits were paid out.

We recommended the University formalize its policies and procedures for the review of unemployment benefit activity for eligibility and protest any cases of potential ineligibility.

Governors State University failed to develop adequate controls over the review of unemployment benefit claims and payments which resulted in questionable benefits being paid by the State. In four of 15 (27%) cases sampled, we questioned the appropriateness of \$12,174 paid out in unemployment benefits, and noted the following:

- A employee terminated for misconduct was paid \$3,840 in benefits from the University.
- The University did not timely protest \$3,406 in benefits paid to an employee who resigned.
- The University paid an individual for a back pay settlement. The individual, however, was also receiving unemployment benefits for the same period for which the back pay settlement was awarded.
- The University did not report a vacation payout to Employment Security for an employee who received \$1,704 in benefits. The payment of vacation in connection with a separation or lay off is treated as wages earned for the period so designated by the employer and can affect the eligibility of an unemployment benefit recipient in those designated weeks.

We recommended the University finalize its policies and procedures for review of unemployment benefit activity and protest all cases of potential ineligibility.

University officials agreed with our recommendation and stated they have implemented and approved comprehensive policy and procedural changes.

NON-COMPLIANCE WITH THE RIGHTS OF CRIME VICTIMS AND WITNESSES ACT

The **Prisoner Review Board** did not provide proper notification to victims or other concerned citizens. During our testing, we noted the following:

- The Board did not send 2 of 26 (8%) written notification letters to victims as requested. In one instance, the Board received a notification request with an "Order of Protection" from a State's Attorney on the same day the prisoner was released from prison. The Board sent the victim a letter indicating they received the victim's notification request, which stated the prisoner would be released 86 days later than the actual release date. The Board did not send the victim a notice indicating the correct release date. In the other instance, the Board mistakenly did not send a notification to the victim.
- The Board did not send 3 of 26 (12%) prisoners' recent photographs to victims as requested.
- The Board filed one victim's notification request in the incorrect prisoner's file. As a result, the Board did not enter the victim's information into the Board's Victim Notification database for the correct prisoner or flag the correct prisoner's manual file. The prisoner had not yet been released from prison.

In addition, there were no procedures that would confirm that victim notification letters were sent to a victim who requested to be notified. The Board relies on the Department of Corrections to provide the Board with the prisoner's release date and all the names and addresses of victims who requested to be notified. Due to this reliance, the Board did not review their own Victim Notification database or the prisoner's manual file to ensure all victims are properly notified.

The Rights of Crime Victims and Witnesses Act (725 ILCS 120/4.5(d)) requires the Board to inform a victim or any other concerned citizen, upon written request, of the prisoner's release on parole, mandatory supervised release, electronic detention, work release or notice by the custodian

of the discharge of any individual who was adjudicated a delinquent for a violent crime from State custody and by the sheriff of the appropriate county of any such person's final discharge from county custody. In addition, the Act requires the Board, upon written request, to provide to a victim or any other concerned citizen a recent photograph of any person convicted of a felony, upon his or her release from custody.

We recommended the Board comply with the Rights of Crime Victims and Witnesses Act and establish sufficient internal controls to ensure notification requests are properly monitored and an appropriate response is made to notification requests.

INADEQUATE PROCEDURES REGARDING EXCESS LAND

The **Department of Transportation** did not have adequate procedures regarding the use and disposition of excess land.

The Department has acquired numerous properties in previous years through acquisition and eminent domain proceedings for future highway construction. These properties are currently not being used. Department officials state that no comprehensive inventory of excess land has been maintained. Currently, it is not possible to identify these properties and determine their potential future use because no formal assessment of the use of each significant parcel of excess land is performed. Management stated that the Department relies on external parties who are interested in the purchase of excess land to inquire of the Department about a potential sale.

We recommended the Department follow its written policies and procedures to control the use and disposition of excess land. The excess land should be inventoried and a complete listing compiled, and that listing should be updated on a monthly basis. We also recommended the Department revise its current policies and procedures to require that a periodic evaluation of the use of each significant parcel of excess land be performed by the District Engineer so that excess land can be identified and disposed of.

Department officials responded that property acquired which is not needed for highway construction will be inventoried as time permits and the Department will continue to respond to citizen inquiries regarding excess property.

LACK OF STRATEGIC PLANNING AND COST/BENEFIT ANALYSIS

Although the **Department of Correction's** strategic plan for **Correctional Industries** addressed factors such as marketability, use of technology, and inmate training, it did not address several operational issues, including a requirement that key decisions be based on a cost/benefit analysis. Consequently, Correctional Industries entered into a 10-year, \$3.7 million lease of a large warehouse without documenting the soundness or strategic direction of that decision.

In calendar year 2000, the ICI entered into a ten-year lease of a 102,500 sq.ft. warehouse, at total lease cost of \$3.7 million. Rental costs ranged from about \$3.32/sq.ft. the first year to \$4.15/sq.ft. the tenth year. Management did not analyze the costs and benefits of its leasing decision.

Correctional Industries' management said they decided to lease a large warehouse to improve customer delivery times for certain industry products. From an accounting standpoint, a good analysis should have compared projected warehouse costs against the potential for improved production and delivery performance and sales growth. Such an analysis should be an integral part of management's strategic planning.

In addition to the new warehouse, the strategic plan did not address the following other key business decisions:

- Pricing policies for goods and services.
- Continued viability of existing industry operations.
- Financial implications of new industries or undertakings.
- A formal policy to maximize the number of inmates benefiting from the program.

- The goal to "operate respected programs that are accountable to citizens of Illinois and beneficial to inmates and to incarcerated individuals and its customers."

We recommended the Department's strategic plan should include all fundamental operational goals, thereby assisting management in fulfilling Correctional Industries' mission. The plan should require key business decisions to be based on cost/benefit analysis, sound logic, and strategic direction.

Department management accepted our recommendation in part, stating Correctional Industries' resources in the last two years were channeled toward correcting past operational deficiencies. As a result, management stated, the ICI lacked resources to meet some operating goals and fine-tune its business practices.

CIRCUMVENTION OF APPROPRIATION CONTROL

During the audit period, appropriations for the **Lincoln Correctional Center** were used to provide about \$5,092,000 (net) in food and personal service costs to other Correctional facilities, as follows:

- **Lincoln Correctional Center** paid about \$4,548,000 in food costs for other facilities (\$4,170,000 for **Logan Correctional Center**; and \$378,000 for the **Concordia Training Academy**).
- **Lincoln Correctional Center** paid about \$591,000 in personal service related costs for other facilities (\$372,000 for **Logan Correctional Center**; and \$219,000 for **Concordia Training Academy**).
- Conversely, appropriations for **Logan Correctional Center** were used to provide about \$47,000 in personal service costs for **Lincoln Correctional Center**.

The practice of paying expenditures of other Correctional facilities distorts operating statistics and circumvents the appropriation control of the Legislature. Further, this practice does not comply with the payroll and voucher certification clauses contained in the State Finance Act.

The Department accepted our recommendation to either comply with the language of the existing appropriation act or work with the General Assembly to modify future wording to permit the Department's current practice.

COMMUNITY CARE PROVIDER PAYMENTS DISBURSED PRIOR TO VALIDATION

The **Department of Aging** disbursed approximately \$35 million in estimated payments to community care provider vendors prior to validation of services.

Department implemented a new Community Care Program Information System to process billing and payment information submitted by 219 Community Care Providers. Unanticipated problems with the new system caused a dramatic increase in the number of vendor billings rejected by the system. The rejection rate increased from .98% in fiscal year 1999 to 6.6% in fiscal year 2000.

Department officials stated that implementing the upgraded information system was a priority because the old system was not year 2000 compliant. After the system was implemented, however, Department officials realized that some transactions submitted by vendors did not meet all of the criteria necessary for acceptance and payment. As a result, these transactions were not processed.

Department officials then made a decision to make estimated payments to providers to assist them in maintaining a stabilized cash flow and to prevent payment delays that might adversely affect the delivery of services to clients. As a result, estimated payments totaling \$34,987,000 were made to vendors before full certification for services could be performed, thus violating the certification requirements of the State Finance Act (30 ILCS 105/9.05).

We recommended the Department comply with the provisions of the State Finance Act and review and validate the billing data being submitted from the vendors prior to disbursing payment.

Department officials agreed with our recommendation.

TUITION WAIVERS FOLLOW-UP

In April 1998, the Office of the Auditor General released the Management Audit of Tuition and Fee Waivers conducted pursuant to Legislative Audit Commission Resolution Number 108. The audit concluded that: Statewide guidelines for awarding waivers were minimal; the administration of waivers by universities was decentralized; and universities had few written policies guiding the administration of waiver programs.

The audit made ten recommendations to State universities and the Illinois Board of Higher Education (IBHE) to improve the awarding, management, and reporting of waivers. The universities and the IBHE agreed to implement the recommendations. This follow-up for Fiscal Year 2000 reports on the status of these recommendations.

The follow-up was conducted as part of the Fiscal Year 2000 financial and compliance audits of the State universities, each of which contain a finding and recommendation on their waiver programs. The IBHE provided updated responses to the 1998 management audit since it was not audited in Fiscal Year 2000.

In Fiscal Year 2000, State universities awarded \$142 million in tuition and fee waivers. This represents a 17 percent increase from the \$121 million in waivers universities awarded in Fiscal Year 1996, the time period covered in our management audit.

Of the \$142 million in waivers for Fiscal Year 2000, \$117 million (82%) were graduate waivers, while \$25 million (18%) were undergraduate waivers. The University of Illinois accounted for 73 percent (\$103.3 million) of the waivers awarded in Fiscal Year 2000.

Our follow-up work focused on waivers awarded by universities in Spring 2000. The nine State universities waived 21 percent of all tuition charges in Spring 2000. Total tuition charged during this semester was \$278 million, of which \$59 million was waived, resulting in \$219 million in tuition revenue.

TUITION AND FEE WAIVERS

Fiscal Years 1996 and 2000
(in thousands)

<i>University</i>	<i>FY 1996</i>	<i>FY 2000</i>
Chicago State	\$950.3	\$809.3
Eastern	\$2,415.7	\$3,126.5
Governors State	\$492.5	\$595.4
Illinois State	\$5,357.9	\$6,224.1
Northeastern	\$1,354.0	\$1,678.2
Northern	\$7,988.1	\$10,556.3
Southern	\$13,914.3	\$12,614.9
University of Illinois	\$86,195.0	\$103,275.8
Western	\$2,802.4	\$2,794.0
TOTAL	\$121,470.2	\$141,674.5

Source: 1998 OAG Management Audit and IBHE.

Two of the ten recommendations from our 1998 management audit have been implemented. The IBHE and State universities continue to work on implementing the remaining eight recommendations.

The IBHE has implemented the 1998 management audit's recommendation to develop a comprehensive policy to help ensure consistent reporting of waivers by universities. In June 1999, the IBHE issued the "Public University Tuition and Fee Waiver Guidelines" which State universities are required to follow in the accounting and reporting of waivers.

State universities have made progress in developing the tuition waiver policies recommended in the management audit. However, at the end of Fiscal Year 2000, most did not have written policies that conformed with the 1998 management audit recommendations or the IBHE Guidelines.

In our follow-up work, we tested the adequacy of university documentation for the waivers awarded. We concluded that the universities need to continue to work at improving their waiver documentation. Approximately 39 percent of the 280 waivers sampled were missing at least one applicable document. Universities also did not use an internal checklist, as the management audit recommended, to help ensure the waivers were supported by complete documentation. •

FEDERAL AUDITING

In 2001, our Office distributed 13 audits which were designed to meet both federal and State compliance audit requirements. Such combined purpose audits are mandated by the federal Single Audit Act. Reimbursements to the State's General Revenue Fund for the federal share of these audits released by our Office in 2001 should exceed \$1,139,000.

Audits for federal compliance purposes disclosed questioned costs in federal programs which could result in the need for repayment to the federal government.

STATEWIDE SINGLE AUDIT UPDATE

The purpose of the Statewide Single Audit is to fulfill the State mandate in accepting federal funding. It includes all State agencies that are part of the primary government and expend federal awards. In total, 37 Illinois State agencies expend federal financial assistance in FY 00.

The schedule of expenditures of federal awards reflects total expenditures of \$11.3 billion for the year ended June 30, 2000. Overall, the State participated in 292 different federal programs; however, 10 of these program or program clusters accounted for approximately 79% or approximately \$9 billion of these expenditures.

Five federal agencies provided Illinois with the vast majority of federal funding in FY 00.

U.S. FEDERAL AGENCIES PROVIDING FEDERAL FUNDING	
<i>For the year ended June 30, 2000</i>	
<i>U.S. Department</i>	<i>Millions</i>
Health of Human Services	\$5,970.9
Labor	\$1,516.8
Agriculture	\$1,416.1
Education	\$1,037.5
Transportation	\$943.2
All Others	\$415.5
<i>Total Federal Award Expenditures</i>	<i>\$11,300</i>

Source: FY 00 State of Illinois Single Audit Report.

Overall, nine State agencies accounted for approximately 97% of all federal dollars spent.

SUMMARY OF FEDERAL SPENDING BY STATE AGENCY	
<i>For the year ended June 30, 2000</i>	
<i>Agency</i>	<i>Millions</i>
Public Aid	\$4,154.7
Human Services	\$2,205.7
Employment Security	\$1,352.8
Board of Education	\$1,321.7
Transportation	\$904.3
Children & Family Services	\$458.4
Commerce & Community Affairs	\$296.9
Environmental Protection Agency	\$163.3
Student Assistance Commission	\$156.3
All Others	\$285.9
<i>Total Federal Spending</i>	<i>\$11,300</i>

Source: FY 2000 State of Illinois, Supplemental Report of Federal Expenditures by Agency/Program/Fund.

Our audit testing focused primarily on the 41 programs expending more than \$30 million in federal awards.

Our report contained 36 findings, 14 which are repeated from departmental single audits performed the previous year. The 36 findings are classified as follows:

- subrecipient monitoring, 12 findings;
- activities allowed or unallowed, 9 findings;
- reporting, 7 findings;
- special tests and provisions, 6 findings; and
- eligibility, 2 findings,

Overall, we reported findings in 5 of the 14 compliance requirement areas that the federal government requires the auditor to consider. It is important to note that a number of programs did not have any findings. Further, known questioned costs for the entire audit totaled less than \$100,000. The most significant findings resulted in the auditor's report containing a scope limitation and qualification on compliance.

Using a Statewide threshold for audit coverage reduced costs to State agencies overall and lessened the amount of time that many individual State agencies put into the external audit effort. Estimated savings attributable to using the Statewide approach was \$1.1 million this year. Similar savings are expected annually.

PEER REVIEW

Peer review is an external quality control review conducted every three years by audit professionals from across the United States who are selected by the National State Auditors Association. The peer review helps to ensure that our procedures meet all required professional standards, comply with Government Auditing Standards and produce reliable products for the agencies we audit.

The July 1999 peer review of the Auditor General's audit processes resulted in an unqualified (clean) opinion. Additionally, the peer review team did not note any deviations from professional standards that would have required a written letter of comments. Our prior peer reviews, conducted in 1993 and 1996, likewise resulted in an unqualified opinion. The next Peer Review is scheduled in 2002.

OTHER AUDIT RESPONSIBILITIES

The Auditor General is required by law to annually review the Comptroller's Statewide accounting system. This review is accomplished through the Office's audit of the State Comptroller, and by ensuring that all agency audits are performed in accordance with the Auditor General's Audit Guide.

In addition, the Auditor General annually reviews the State Comptroller's pre-audit function which is required by law. Pre-audit is the primary control over expenditure voucher processing. The State Comptroller pre-audits financial transactions to determine if they are proper and legal. •

THE PERFORMANCE AUDIT PROGRAM

Performance audits are conducted at the request of legislators to assist them in their oversight function. Based on the scope specified in the resolution or the law requesting the audit, State agencies' programs, functions, and activities are reviewed. The audits determine if resources are used efficiently, economically, and effectively to provide services which the General Assembly intended. These audits are important to furthering public accountability.

The General Assembly uses performance audit information to develop legislation, to deal with budgetary issues, and to direct agencies to change and improve programs.

Some audits produce immediate changes. In other instances, significant changes may not be seen for several years. The length of time it takes to see change is due to the process of transforming the audit findings and recommendations into legislative bills, converting bills into law, and the passing of time to see the effect of change.

For example, Public Act 92-51, approved July 12, 2001 requires that State universities report annually to the **Illinois Board of Higher Education** on the tuition and fee waivers issued the previous fiscal year, as well as the following information for each tuition and fee waiver program in which the universities participate:

- The justification of the need for the program;
- The program's intended purposes and goals;
- The program's eligibility and selection criteria;
- The program's cost; and
- Any benefits resulting from the program.

Our 1998 Management Audit of Tuition and Fee Waivers contained a Matter for Consideration by the General Assembly on this issue.

The General Assembly also passed legislation which addressed many of the issues raised in our audit of the Child Support State Disbursement Unit released in March of 2000. The audit con-

tained a total of 15 recommendations directed to the **Department of Public Aid**. Public Act 92-44, approved June 29, 2001, included provisions requiring that the Department of Public Aid incorporate in its next SDU contract many of the recommendations made in our management audit of the SDU.

The Auditor General released four performance audits in 2001 which contained a total of 28 recommendations. State agencies generally accepted all of the audit recommendations to correct or improve operations.

Additionally, in July 2001, the Management Audit of Child Support State Disbursement Unit received a Recognition of Impact Award from the National Legislative Program Evaluation Society (NLPES). The award is given annually by NLPES for audit reports that demonstrate significant dollar savings, program improvements, and impact from a legislative and public perspective. The Office previously received the NLPES Certificate of Recognition of Impact for the following audits:

- 1999 Management Audit of the Pilsen Little Village Community Mental Health Center; and
- 1998 Management Audit of Tuition and Fee Waivers. •

AUDITS COMPLETED IN 2001

MANAGEMENT AUDIT OF IEPA'S VEHICLE EMISSIONS TESTING PROGRAM

Legislative Audit Commission Resolution Number 119 directed the Auditor General to conduct a management audit of the Illinois **Environmental Protection Agency's** (IEPA) Vehicle Emissions Inspection Program. The Resolution requested a report on IEPA's monitoring of the contractor, including: the training of contractor employees and due care during inspections; the process to record and resolve complaints; and a comparison of Illinois' emissions test with tests used by other states.

Congress enacted the Clean Air Act in 1970 to improve air quality and reduce air pollution. In 1977, the Clean Air Act was amended and broadened to include an Inspection and Maintenance program. In response, Illinois created the vehicle emissions testing program.

Illinois tests the emissions of gasoline powered vehicles that are more than four model years old. These tests are performed in the Chicago and Metro-East St. Louis areas which have exceeded federal air quality standards. IEPA uses a contractor named Envirotest Illinois, Inc. (Envirotest) and the program's total cost is approximately \$50 million per year. In calendar year 2000, Envirotest performed 1,647,995 emissions tests and 8.4 percent of the vehicles tested failed, mostly vehicles older than 1990.

The contract with Envirotest requires IEPA to monitor and grade tests given to the contractor's lane inspectors and State statute requires lane inspectors to be certified by IEPA. However, the contractor trained its employees, gave tests, graded tests, and certified its employees. Two-thirds of the 97 employees' training records we sampled lacked some documents.

In calendar year 2000, 1,043 motorists filed damage claims and Envirotest paid 220 claims. The total amount paid was \$74,649 for an average of \$339 per damage claim.

- Envirotest was responsible for receiving, recording, and deciding whether to pay damage claims. IEPA received monthly reports on damage claims but did not review Envirotest's handling of individual damage claims.
- Vehicle emission tests were videotaped but motorists were not informed they could see the videotape.

IEPA reported that motorists waited 7½ minutes on average before their test, or half the time allowed by contract.

- Motorists we surveyed generally were satisfied with the test process and personnel and gave a rating of 4.12 out of 5.00.
- IEPA lacked a written policy and procedures manual for this program involving a nine-year contract worth \$392 million.
- IEPA imposed \$731,045 in liquidated damages on Envirotest in FY 2000, such as for incorrect testing procedures.

Illinois uses the I/M 240 test which is the most enhanced vehicle emissions test, according to U.S. EPA. The I/M 240 test is used by six states while other states (e.g., California, New York, Texas) use less comprehensive tests.

We made 10 recommendations which IEPA and the Secretary of State accepted and agreed to implement.

MANAGEMENT AUDIT OF THE ILLINOIS STATE BOARD OF EDUCATION AND OTHER STATE AGENCIES PROVIDING FUNDING TO ILLINOIS' REGIONAL OFFICES OF EDUCATION

On May 25, 2000, the Legislative Audit Commission adopted Resolution Number 118, directing the Auditor General to conduct a management audit of the **State Board of Education** and any other State agency providing funding to Illinois' Regional Offices of Education (ROEs) or any similar entity serving as an educational agent

for the State responsible for administering programs and/or distributing State moneys to local school districts.

The Resolution asked us to determine: the sources of funds, and major purposes and functions of the ROEs; the extent to which State agencies providing funding to the ROEs have in place management controls to review the financial and programmatic aspects of those offices; and whether a review of selected expenditures by ROEs demonstrates that controls are sufficient to ensure that the services provided by those offices are performed in an efficient and effective manner and in compliance with applicable laws, regulations, contracts and grants.

Illinois has 45 Regional Offices of Education that generally act as program and fiscal intermediaries between the Illinois State Board of Education (ISBE) and local school districts. Cook County also has Intermediate Service Centers (ISCs) that provide similar services. The 45 ROEs and 3 ISCs received \$110,816,155 for their operations and programs in fiscal year 2000, according to audits contracted by ISBE. Including pass through to local school districts, total ROE/ISC funding from ISBE exceeded \$1.83 billion in fiscal year 2000. A fourth ISC is operated by Chicago School District #299 as a result of a waiver granted by ISBE.

The audit found that while ISBE had established a system of management controls, several of the controls were not being carried out or needed to be strengthened. We found that:

- The responsibility for monitoring programs and funding provided to ROEs/ISCs is decentralized at ISBE. ISBE has also undergone reorganizations in November 1999 and October 2000. Several of the ROE/ISC officials we interviewed expressed confusion resulting from the ISBE reorganizations.
- ISBE's grant agreements contained few guidelines regarding allowable expenses.
- ISBE did not conduct site visits, record reviews, and evaluations of ROEs and ISCs required by administrative rule (23 Ill. Adm. Code 525.140).

- Many Regional Improvement Plans reviewed did not include all components required by administrative rule (23 Ill. Adm. Code 525.120).
- ROEs/ISCs did not always use function and object codes correctly.
- Interest income earned from State funds was used for purposes other than the principal, which is not in compliance with the Illinois Grant Funds Recovery Act.
- Most ROE Advisory Boards were not meeting the required six times per year.
- Some Regional Superintendents reported receiving compensation, primarily from counties, in addition to their statutory salaries paid by ISBE.
- Statutory provisions related to ROEs contain outdated and confusing language.
- The audit report contains 11 recommendations to the Illinois State Board of Education, with which the State Board generally agreed.

HEALTH FACILITIES PLANNING BOARD

Public Act 91-0782, directed the Auditor General to conduct an audit of the **Health Facilities Planning Board** (20 ILCS 3960/19.5). The Public Act asked us to determine whether the Board:

- Demonstrates that the CON process is successful;
- Reflects cost savings in its annual reports;
- Follows its adopted rules and procedures; and
- Awards and denies certificates of need consistently.

Established in 1974, the Illinois Health Facilities Planning Board was created to help control rising health care costs by issuing permits or certificates of need (CON). These permits allow health facilities to modify or construct facilities and to acquire major medical equipment. In June 2000, Public Act 91-0782 amended the Health Facilities Planning Act (20 ILCS 3960) adding a sunset date for the Act and directing the Auditor General's Office to conduct an audit of the Health Facilities Planning Board.

The Planning Board has done a number of studies and reports that consider elements of effectiveness but has not done an overall evaluation of the program's effectiveness. The only tangible cost savings the Health Facilities Planning Board has identified in its annual reports is the difference between dollars proposed and dollars approved. Because some of these projects are not denied by the Board but are withdrawn by the applicant and some applicants reapply and are later approved, the cost savings reported in annual reports may be overstated.

In the area of following rules and procedures we found:

- That State Agency Reports, prepared by staff at the **Department of Public Health**, generally provide an objective evaluation of proposed projects by applying administrative rules. However, we identified a few instances when criteria were not applied consistently.
- Examples where the Planning Board did not consistently follow the administrative rules related to deferrals.
- Some project review criteria in the administrative rules relate closely to one another so that one negative criteria may domino or carry over into other criteria causing them to be negative as well.

In the area of awarding and denying certificates of need consistently we found:

- Instances where we questioned the consistency of the Board's actions.
- Cases where the Planning Board's decision was not consistent with the State Agency Report analysis.

The audit included seven recommendations. The Health Facilities Planning Board and the Department of Public Health generally agreed with the recommendations.

THE VILLAGE OF ROBBINS' USE OF MUNICIPAL ECONOMIC DEVELOPMENT FUNDS

The Public Utilities Act (220 ILCS 5/8-403.1)

requires the Auditor General to conduct an annual financial, compliance, and program audit of distributions received by any municipality from the Municipal Economic Development Fund.

Qualified solid waste energy facilities are required to pay into the Fund \$0.0006 per kilowatt hour of electricity for which payment was received during the previous month.

Each audit is to be for distributions from the Fund for the immediately preceding year. This is the second audit conducted under this requirement. This audit covers distributions from the Fund during calendar year 2000.

The Village of Robbins was the only entity to receive distributions from the Fund. The audit concluded that:

- Robbins received \$196,197 from the Fund and earned \$6,863 in interest income for calendar year 2000.
- Robbins disbursed \$110,660 from Fund receipts. Specific disbursements were for repairs to the elevator in the Robbins police station and to a fire truck, development of a marketing brochure, acquisition of computer equipment, demolition of an unsafe structure, installation of a fence around the public works yard, payment of expenses related to a Village festival, and acquisition of audit and legal services. Our review of documentation provided by Robbins concluded that calendar year 2000 expenditures of Fund receipts appear to be consistent with Public Utilities Act guidelines.

The Robbins incinerator closed in October 2000 and has not reopened as of May 2001. However, the Treasurer continued to make distributions to Robbins into 2001. Public Act 92-0435 amends the Public Utilities Act to allow Robbins to continue to receive Fund distributions if the incinerator is closed.

AGENCY USE OF INTERNET USER TRACKING TECHNOLOGY

House Resolution 263 directed the Auditor General to conduct an audit of each State officer and agency that maintains a World Wide Web site

and determine the following:

- whether the officer or agency uses technology that allows it to track the browsing or buying habits of Internet users who visit the site;
- whether the tracking is necessary; and
- whether the officer or agency protects those users through adequate notice, choice, access, and security.

The audit found that, as of November 2001, 114 State agencies reported having an Internet web-site that the public could access to obtain information on programs and services. Of these 114 agencies, at least 52 used some form of technology, such as "cookies" or user logs, to collect information on the use of their web-sites. A "cookie" is a short string of text that is sent from a web-site to the user's computer. A user log generally lists all requests for individual web pages that have been requested from a web-site. The following technology was used:

- 30 agencies used only cookies;
- 12 agencies used both logs and cookies; and
- 10 agencies used only user logs.

None of the agencies we surveyed reported using technology and matching it with personal information to monitor the routine browsing of specific users.

The audit concluded that there were no Statewide requirements specifically for State agencies' use of technology to collect information on users of State web-sites or requirements regarding the establishment and posting of privacy policies. Consequently, each State agency is responsible for developing privacy policies that disclose how the agency will use information obtained over the Internet.

Of the 42 agencies that used cookies, only 7 disclosed in privacy policies that cookies were being used. Of the 114 agencies that reported having a web-site, only 32 (28 percent) reported that they had a privacy statement or policy located on their web-sites.

The audit concluded that the General Assembly

may wish to consider enacting a law which requires all State agencies with a web-site to develop and prominently post a privacy policy addressing the collection, maintenance, and disclosure of personal information, as well as the use of technology to collect information on the use of their web-sites. •

PERFORMANCE AUDITS IN PROGRESS

PROGRAM AND MANAGEMENT AUDIT OF KIDCARE

On May 24, 2001, the Illinois Senate adopted Senate Resolution 152. The Resolution requires the Auditor General to conduct a program and management audit of the **Illinois Department of Public Aid's** KidCare program. The Resolution asks us to evaluate:

- The Department of Public Aid's compliance with federal and State laws, the State of Illinois' Children's Health Insurance Plan submitted to the Health Care Finance Administration, and rules, regulations and policies adopted by the Department of Public Aid;
- The Department of Public Aid's adherence to eligibility requirements, including evaluating the eligibility of enrolled children, whether or not the Department enrolls children for benefits prior to verification of eligibility for benefits, the Department's practice of allowing for one time encounter enrollments, and the Department's adherence to income verification procedures;
- The effectiveness of the Department's marketing strategies, including the effectiveness of bid and no-bid outreach contracts, broadcast and print advertising and other outreach advertising mechanisms targeted to increase enrollment in the program and the correlation between each strategy and the number of children enrolled that are attributed to that specific contract or strategy;
- The compliance and effectiveness of all KidCare outreach contracts issued by the Department of Public Aid since the creation of the KidCare program including the amounts of the contracts, the bid status of the contracts, the terms of the contracts, the responsibilities outlined in the contracts, the fulfillment of the contractors' responsibilities, and verification of required contract documentation;
- The application and enrollment process to

ensure that the families of enrolled children have properly completed applications, which include all proof of information and documentation required pursuant to the KidCare application;

- Summarize and compare the socio-economic profile of applicants and enrolled children and their families based on information required on the application form;
- Evaluate the efficiency of the process by which monthly paper eligibility cards are issued to enrollees;
- Evaluate the effectiveness and efficiency of the eligibility redetermination process; and
- Using recognized public health standards, compare the overall health of enrolled children with the overall health of (i) privately insured children of the same socio-economic status and (ii) uninsured children of the same socio-economic status.

The findings of this program and management audit are to be reported to the General Assembly by July 1, 2002.

THE VILLAGE OF ROBBINS' USE OF MUNICIPAL ECONOMIC DEVELOPMENT FUNDS

Public Act 90-813 requires the Auditor General to conduct an annual financial, compliance and program audit of the distributions from the Municipal Economic Development Fund during the immediately preceding calendar year pursuant to Section 8-403.1 of the Public Utilities Act.

CHICAGO AIRPORTS

Public Act 89-386, effective August 18, 1995, directs the Auditor General to "conduct a compliance and management audit of the City of Chicago and any other entity with regard to the operation of Chicago O'Hare International Airport, Chicago Midway Airport and Merrill C. Meigs Field." The law specifies that the audit shall include "an examination of revenues,

expenses, and transfers of funds; purchasing and contracting policies and practices; staffing levels; and hiring practices and procedures."

On September 9, 1996, the City of Chicago filed a lawsuit against the Auditor General seeking to enjoin our efforts to carry out the audit required by Public Act 89-386.

In the fall of 2000, the Circuit Court held that the 1995 law passed by the General Assembly is unconstitutional. The Auditor General's Office appealed that holding directly to the Illinois Supreme Court and a hearing took place in November, 2001. As of year-end, we were awaiting a decision by that body. The Auditor General's Office is represented in this lawsuit by the Illinois Attorney General's Office.

EARLY INTERVENTION

The Legislative Audit Commission adopted Resolution Number 122 directing the Auditor General to conduct a performance audit of the **Department of Human Services'** management and administration of the Early Intervention Program. The Resolution asks the audit to determine:

- Whether the Program's management information system provides the information needed to monitor services provided and contractor performance;
- Whether contracts with entities coordinating and providing services contain reporting mechanisms (such as performance measures or deliverables) to allow the Program to monitor and evaluate their performances;
- Whether the Program has established a system to monitor and assess contractor activities, including: CFC referral practices; provider compliance with established billing, service, and supervision requirements; and geographic variances in service utilization, services accessed, and provider billing patterns; and
- Whether the Department has procedures in place to ensure that services provided to clients are consistent with the Individual Family Service Plans (IFSPs).

Subsequent to the passage of Legislative Audit Resolution Number 122, Public Act 92-307 was adopted August 9, 2001 which required the Auditor General to conduct a follow-up evaluation of the Early Intervention Services System.

TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE

House Resolution Number 304 directs the Auditor General to conduct a financial and management audit of the **Teachers Academy for Mathematics and Science**. The Resolution asks the Auditor General to determine:

- Whether some grants for the Teachers Academy for Mathematics and Science were made by the **State Board of Education** from programs designed only for individual schools and school districts;
- Whether other grants for the Teachers Academy for Mathematics and Science made by the State Board of Education were in excess of their entitlement;
- Whether the Teachers Academy for Mathematics and Science has met goals it set with the State Board of Education in return for substantial increases in State funding; and
- Whether the substantial expenditure of State funds over the last 5 years on the Teachers Academy for Mathematics and Science has resulted in improvements in math and science scores at participating schools.

GROUP WORKERS COMPENSATION SELF-INSURED POOLS

The Legislative Audit Commission adopted Resolution Number 121 directing the Auditor General to conduct a management audit of the **Department of Insurance, the Office of the Special Deputy Receiver, the Illinois Industrial Commission** and any other State agency with regard to their responsibilities pertaining to Group Workers Compensation Self-insured Pools in the State. The Resolution asks the audit to determine:

- What activities are or were undertaken by any

State agency to regulate, oversee manage or monitor the Pools;

- What information was available to those agencies concerning the financial condition of the Pools and the frequency, timeliness and comprehensiveness of such information;
- The process for reviewing financial reports and other information provided by the Pools in the years prior to their default and any actions undertaken by State agencies in response to that information prior to the Pool's insolvencies;
- What methods are available to the State to identify and cure deficiencies in the financial condition of Pools prior to their being placed in liquidation and whether those methods are effective; and
- The process for liquidating insolvent Pools, including asset protection, allocation of losses and payment of claims.

CAPITAL DEVELOPMENT BOARD - STUDY OF CONSTRUCTION CONTRACTING METHODS

Senate Resolution Number 147 directs the Auditor General to study the possible effects of eliminating the **Capital Development Board's** five separate specifications for bidding on State construction contracts as a means of reducing the cost of State construction projects.

The study shall include the fiscal impact on the State of Illinois, construction contractors and construction sub-contractors. The study shall also include an analysis of using design-build practices for State construction projects. The study is to be completed by May 1, 2002. •

THE INFORMATION SYSTEMS AUDITS PROGRAM

Computers are an integral part of State government, processing billions of dollars in financial transactions each year and helping control the operations of State agencies. Since financial transactions and confidential information are processed using computers, audits of information system activities are necessary to ensure that computer processing is secure and accurate.

TESTING CONTROLS AND SYSTEMS

The Auditor General's office plans to review the information system controls of all the State agencies. In 2001, we reviewed the following agencies:

Department on Aging, Chicago State University, Comptroller, Department of Central Management Services, Department of Children and Family Services, Department of Corrections, Environmental Protection Agency, Housing Development Authority, Department of Lottery, Department of Natural Resources, Department of Public Aid, Department of State Police, Department of Veteran Affairs, State Board of Education, and Teachers' Retirement System.

As end-user computing and access to external entities proliferates in State government, the Auditor General has increased audit efforts in these areas. To enhance the control environment early in the implementation of statewide end-user computing, the Auditor General has emphasized the review of local and wide area networks, as well as internet and telecommunications security. These reviews have focused on the necessity of establishing consistent and effective security policies and programs on all computer systems.

The information systems audit staff also reviewed and tested the systems and procedures at the State's central computer facility operated by the **Department of Central Management Services**. Through its facilities, the Department provides data processing services to approximately 106 user entities throughout State of Illinois governmental agencies. Auditors tested the facility's controls and the application systems used by

many State agencies, such as accounting, payroll, inventory, and timekeeping.

Additional emphasis was placed on the use of Computer Assisted Audit Techniques (CAATs) in the application reviews. Computer programs were developed and executed to verify the integrity and validity of data. No major problems were identified with the data.

Controls at the central computer facility were generally adequate. However, we did recommend that the Department of Central Management Services ensure that disaster contingency resources and procedures are adequate for resumption of data processing following a disaster, and review controls and procedures over software change controls, and the billing system. •

ISA FINDINGS

Six agencies: the **Department on Aging, Comptroller, State Board of Education, Department of Natural Resources, Southern Illinois University, and the University of Illinois** did not have effective security controls for computer systems. Some of the available security features to safeguard information assets and to protect the integrity of information were not fully utilized by the agencies. Some of the significant control deficiencies were: available security features and monitoring tools were not used; unique passwords were not always required; and passwords were not always required to be changed. We recommended that these agencies establish comprehensive security policies and procedures and implement suitable security parameters to protect information assets.

The **Department on Aging** and **Department of Corrections** did not utilize a structured systems development methodology to develop computer systems. A formal system development methodology was not used in the development of the Department on Aging's Community Care Program Information System. The lack of a methodology contributed to problems with the system and the Department's billing process. We recommended these agencies develop and adopt a structured systems development methodology

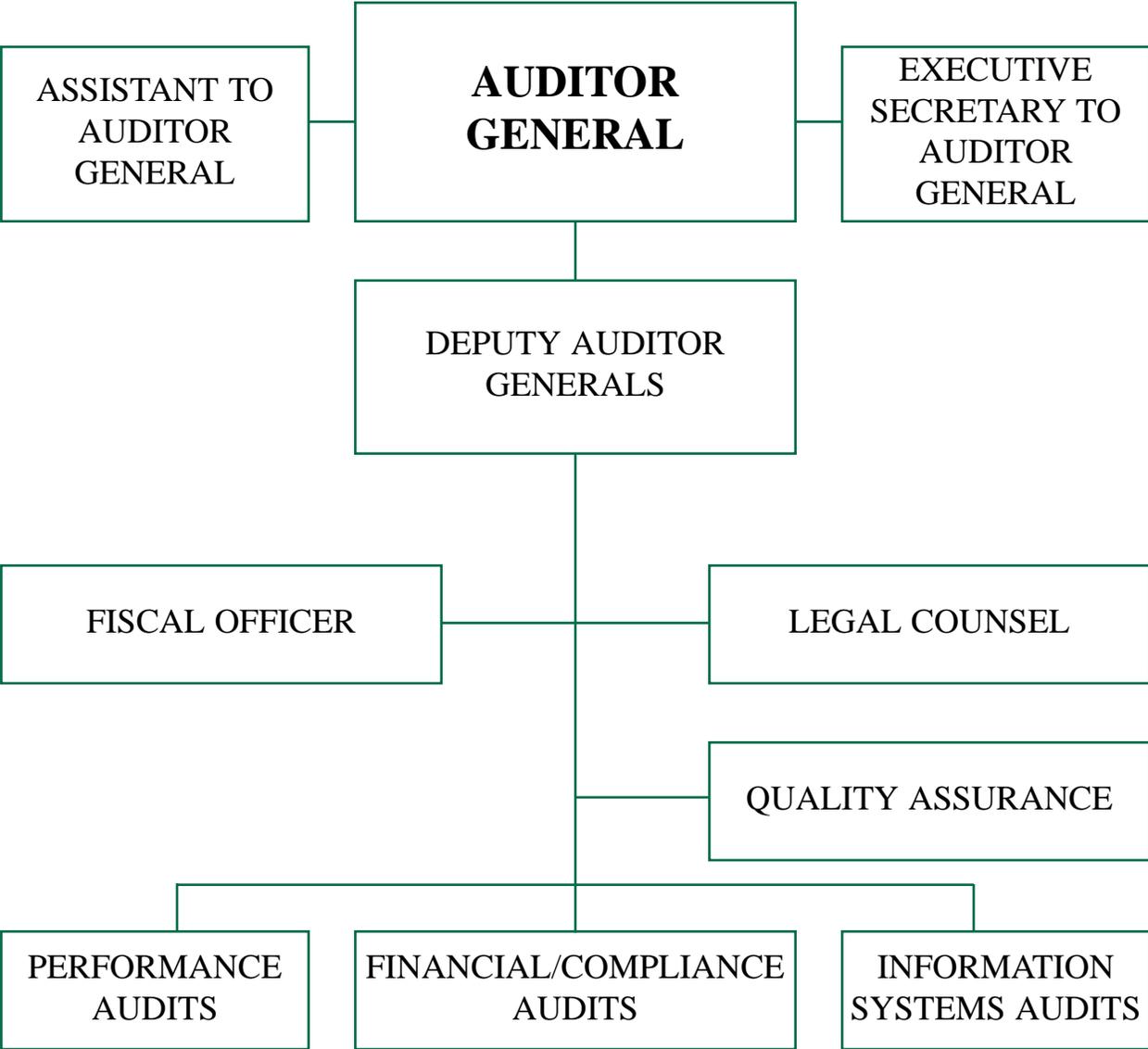
Multiple agencies, including the **Department of Children and Family Services, Comptroller, Department of Corrections, Environmental Protection Agency, State Fire Marshal, Health Care Cost Containment Council, Department of State Police**, and the **University of Illinois**, had weaknesses in disaster recovery planning for computer services. We recommended that these agencies assess the potential impact of a loss of computer services on the delivery of services and formalize and test disaster recovery plans.

Agency officials generally concurred with our recommendations concerning these issues.

Information systems audit staff also reviewed the Generally Accepted Accounting Principles (GAAP) System at the **Office of the Comptroller**. This system is used to accumulate fiscal information from all State agencies into the State's comprehensive financial report.

The Information Systems Audit Division also provides audit staff and management with data processing support. •

ORGANIZATIONAL CHART



As of December 2001, there were 77 employees. Sixty eight were located in the Springfield office and nine in the Chicago office.

CLAIMS DUE THE STATE AND METHODS OF COLLECTION

As required by law (30 ILCS 205/2 (k)), the Office of the Auditor General is reporting that there were no outstanding claims administered by the Office that were due and payable to the State as of December 31, 2001. The accounts receivables generated by our Office primarily represent billings to other State agencies for reimbursement of audit costs. Reimbursements for federal single audits are deposited into the General Revenue Fund. Reimbursements for audits not associated with federal single audits are deposited or transferred to the Audit Expense Fund. If normal collection methods fail, we request assistance from the Office of the Attorney General. To date we have never used the services of a private collection agency.

SUMMARY OF APPROPRIATIONS AND EXPENDITURES

The Office of the Auditor General was funded by appropriations from the General Revenue Fund and Audit Expense Fund for fiscal year 2001 (July 1, 2000 to August 31, 2001, including lapse period).

<i>FY 2001 - FINAL</i>			
	<i>Appropriation</i>	<i>Expended</i>	<i>Balance</i>
Personal Services	\$ 3,622,617	\$ 3,510,758	\$ 111,859
Employee Retirement (Employer)	144,905	130,637	14,268
State Retirement	360,233	349,188	11,045
Social Security	263,130	260,044	3,086
Contractual Services	552,645	526,896	25,749
Travel	94,800	78,594	16,206
Commodities	14,760	11,166	3,594
Printing	14,000	13,381	619
Equipment	62,440	62,439	1
Electronic Data Processing	154,000	153,667	333
Telecommunications	68,000	65,848	2,152
Operation of Automotive Equipment	2,000	1,631	369
Audits/Studies/Investigations*	<u>11,987,250</u>	<u>9,999,481</u>	<u>1,987,769</u>
TOTAL	\$17,340,780	\$15,163,730	\$2,177,050
*Audit Expense Fund			

FINANCIAL AND COMPLIANCE AUDITS

FOR THE PERIOD ENDING JUNE 30, 2000

F = Financial

C= Compliance

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Attorney General	x	x	06-28-01
Capital Development Board	x	x	02-28-01
Chicago State University	x	x	05-24-01
Chicago State University Foundation	x		05-24-01
Comptroller - Fiscal Officer	x	x	05-08-01
Comptroller - Non-Fiscal Officer	x	x	05-08-01
Department on Aging	x	x	03-27-01
Department of Agriculture (DuQuoin Fair)		x	03-14-01
Department of Agriculture (IL State Fair)		x	03-14-01
Department of Central Management Services	x	x	03-07-01
Department of Central Management Services (Deferred Compensation Plan)	x		06-28-01
Department of Children and Family Services	x	x	04-05-01
Department of Commerce and Community Affairs	x	x	03-07-01
Department of Corrections - General Office	x	x	04-10-01
Dept.of Corrections, Correctional Center - Big Muddy River		x	04-10-01
Dept. of Corrections, Correctional Center - Centralia		x	04-10-01
Dept. of Corrections, Correctional Center - Danville		x	04-10-01
Dept. of Corrections, Correctional Center - Decatur Womens		x	04-10-01
Dept. of Corrections, Correctional Center - Dixon		x	04-10-01
Dept. of Corrections, Correctional Center - Dwight		x	04-10-01
Dept. of Corrections, Correctional Center - East Moline		x	04-10-01
Dept. of Corrections, Correctional Center - Graham		x	04-10-01
Dept. of Corrections, Correctional Center - Hill		x	04-10-01
Dept. of Corrections, Correctional Center - IL River Canton		x	04-10-01
Dept. of Corrections, Correctional Center - Jacksonville		x	04-10-01
Dept. of Corrections, Correctional Center - Joliet		x	04-10-01
Dept. of Corrections, Correctional Center - Lincoln		x	04-10-01
Dept. of Corrections, Correctional Center - Logan		x	04-10-01
Dept. of Corrections, Correctional Center - Menard		x	04-10-01
Dept. of Corrections, Correctional Center - Pinckneyville		x	04-10-01
Dept. of Corrections, Correctional Center - Pontiac		x	04-10-01
Dept. of Corrections, Correctional Center - Robinson		x	04-10-01
Dept. of Corrections, Correctional Center - Shawnee		x	04-10-01
Dept. of Corrections, Correctional Center - Sheridan		x	04-10-01
Dept. of Corrections, Correctional Center - Southwestern IL		x	04-10-01
Dept. of Corrections, Correctional Center - Stateville		x	04-10-01
Dept. of Corrections, Correctional Center - Tamms		x	04-10-01
Dept. of Corrections, Correctional Center - Taylorville		x	04-10-01
Dept. of Corrections, Correctional Center - Vandalia		x	04-10-01
Dept. of Corrections, Correctional Center - Vienna		x	04-10-01

AGENCY	F	C	DATE RELEASED
Dept. of Corrections, Correctional Center Western Illinois		x	04-10-01
Department of Corrections, Correctional Industries	x	x	04-10-01
Dept. of Corrections, IL Youth Center - Chicago		x	04-10-01
Dept. of Corrections, IL Youth Center - Harrisburg		x	04-10-01
Dept. of Corrections, IL Youth Center - Joliet		x	04-10-01
Dept. of Corrections, IL Youth Center - Murphysboro		x	04-10-01
Dept. of Corrections, IL Youth Center - Pere Marquette		x	04-10-01
Dept. of Corrections, IL Youth Center - St. Charles		x	04-10-01
Dept. of Corrections, IL Youth Center - Valley View		x	04-10-01
Dept. of Corrections, IL Youth Center - Warrenville		x	04-10-01
Department of Employment Security	x		02-28-01
Department of Financial Institutions	x	x	03-27-01
Department of Human Services	x		03-27-01
Department of the Lottery	x	x	02-28-01
Department of Military Affairs	x	x	04-26-01
Department of Natural Resources	x	x	04-26-01
Department of Public Aid	x	x	05-17-01
Department of Revenue	x		03-20-01
Department of State Police	x	x	03-29-01
Department of Transportation	x	x	04-26-01
Department of Veterans' Affairs - General Office	x	x	04-26-01
Drycleaner Environmental Response Trust Fund Councilx		x	03-29-01
East St. Louis Financial Advisory Authority	x	x	02-28-01
Eastern Illinois University	x	x	03-29-01
Eastern Illinois University Alumni Association	x		02-22-01
Eastern Illinois University Foundation	x		02-22-01
Environmental Protection Agency	x	x	03-29-01
Environmental Protection Agency Trust Fund Commission	x	x	03-29-01
General Assembly - Retirement System	x	x	02-14-01
Governors State University	x	x	03-29-01
Governors State University Alumni Association	x		02-22-01
Governors State University Foundation	x		02-22-01
Health Care Cost Containment Council	x	x	03-14-01
Historic Preservation Agency	x	x	03-14-01
Illinois Community College Board	x	x	03-07-01
Illinois Community College System Foundation	x	x	03-07-01
Illinois Conservation Foundation	x	x	03-07-01
Illinois Development Finance Authority	x	x	03-22-01
Illinois Farm Development Authority	x	x	03-22-01
Illinois Health Facilities Authority	x	x	03-22-01
Illinois Housing Development Authority	x	x	03-22-01
Illinois Mathematics and Science Academy	x	x	03-14-01
Illinois Mathematics and Science Academy Fund	x		03-14-01
Illinois Medical District Commission	x	x	04-26-01
Illinois Racing Board	x	x	03-14-01

AGENCY	F	C	DATE RELEASED
Illinois Rural Bond Bank	x	x	03-22-01
Illinois State Board of Investment	x		02-14-01
Illinois State Board of Investment		x	03-27-01
Illinois State Toll Highway Authority	x	x	12-04-01
Illinois State University	x	x	03-29-01
Illinois State University Foundation	x	x	03-29-01
Illinois Student Assistance Commission, Designated Account Purchase, Prepaid Tuition	x		03-20-01
Illinois Veterans' Home - Anna	x	x	04-26-01
Illinois Veterans' Home - LaSalle	x	x	04-26-01
Illinois Veterans' Home - Manteno	x	x	04-26-01
Illinois Veterans' Home - Quincy	x	x	04-26-01
Illinois Violence Prevention Authority	x	x	06-28-01
Industrial Commission - Self Insurer's Fund	x		03-14-01
Joint Committee on Administrative Rules	x	x	03-27-01
Judges Retirement System	x	x	02-14-01
Judicial Inquiry Board		x	06-28-01
Kankakee River Valley Area Airport Authority	x	x	04-05-01
Law Enforcement Training Standards Board	x	x	03-29-01
Legislative Information System		x	05-08-01
Liquor Control Commission	x	x	03-20-01
Northeastern Illinois University	x	x	03-29-01
Northeastern Illinois University Foundation	x		02-22-01
Northern Illinois University	x	x	03-20-01
Northern Illinois University Alumni Association	x	x	03-20-01
Northern Illinois University Foundation	x	x	03-20-01
Office of Banks and Real Estate	x	x	03-29-01
Petroleum Resources Board	x	x	04-26-01
Pollution Control Board	x	x	05-17-01
Prairie State 2000 Authority	x		03-27-01
Prisoner Review Board		x	05-17-01
Property Tax Appeal Board		x	02-28-01
Secretary of State	x		05-08-01
Sex Offender Management Board	x	x	06-28-01
Southern IL University	x	x	04-26-01
Southern IL University - Carbondale Alumni Association	x		02-22-01
Southern IL University - Carbondale Foundation	x		02-22-01
Southern IL University - Carbondale Foundation Evergreen	x		02-22-01
Southern IL University - Edwardsville Alumni Association	x		02-22-01
Southern IL University - Edwardsville Foundation	x		02-22-01
Southern IL University - Physicians & Surgeons, Inc.	x		02-22-01
Southern IL University - Edwardsville University Park	x		02-22-01
Southwestern Illinois Development Authority	x	x	05-17-01
State Appellate Defender	x	x	05-17-01
State Board of Education	x	x	03-20-01

AGENCY	F	C	DATE RELEASED
State Employees' Retirement System	x		02-14-01
State Fire Marshal	x	x	03-29-01
State Police Merit Board	x	x	03-29-01
State Universities Retirement System	x	x	02-14-01
State's Attorney's Appellate Prosecutor	x	x	03-29-01
Statewide Single Audit	x		06-22-01
Teachers' Retirement System	x	x	02-14-01
Treasurer - College Savings Pool	x		05-08-01
Treasurer - Fiscal Officer	x	x	05-08-01
Treasurer - Illinois Funds	x		03-07-01
University of Illinois	x	x	03-20-01
University of Illinois Alumni Association	x	x	03-20-01
University of Illinois Foundation	x	x	03-20-01
University of Illinois - Chicago HMO	x		05-24-01
University of Illinois - Prairieland Energy, Inc.	x	x	03-20-01
University of Illinois - Wolcott, Wood & Taylor, Inc.	x	x	03-20-01
Western Illinois University	x	x	03-22-01
Western Illinois University Foundation	x		03-22-01

PERFORMANCE AUDITS, INQUIRIES, & SPECIAL REPORTS

AUDITS IN PROGRESS

• Chicago Airports		
• Bidding Specifications on State Construction		
• Group Workers Compensation Self-Insured Pools		
• Early Intervention Program		
• Teachers Academy for Mathematics and Science		
• KidCare		
1/02 Agency Use of Internet User Technology		
10/01 EPA's Vehicle Emissions Testing Program		
9/01 Illinois Health Facilities Planning Board		
8/01 Board of Education and Other State Agencies Providing Funding to Regional Offices of Education		
6/01 Village of Robbins' Use of Municipal Economic Development Funds		
5/01 Tuition & Fee Waivers Follow-up		
12/00 DHS Office of the Inspector General		
6/00 Municipal Economic Development Fund Distributions: Village of Robbins		
3/00 Department of Public Aid: Child Support State Disbursement Unit		
11/99 Illinois Math & Science Academy		
9/99 Department of Public Aid's Contracts with Delta Dental		
8/99 Pilsen-Little Village Community Mental Health Center		
7/99 Medicaid Home Health Care & Regulation of Home Health Agencies		
6/99 State Fire Marshal's Fire Investigations		
5/99 Illinois Health & Human Service Providers		
12/98 DHS: Inspector General		
9/98 Comptroller's Offset System		
6/98 Nursing Home Prescreening		
5/98 IDOT's Road Construction Program		
4/98 Tuition & Fee Waivers		
5/97 Professional Regulation - Physicians Regulated Under the Medical Practices Act		
12/96 DMHDD - Office of the Inspector General		
6/96 IHSA - Site Selection for Boys		
		Basketball Finals
	4/96	DMHDD - Reporting of Resident Abuse & Neglect
	5/95	Summer Unemployment at State Universities
	2/95	Laws Considered Obsolete
	1/95	Public Aid's Child Support Program
	12/94	Office of the Inspector General
	6/94	Toll Highway: Helicopters
	6/94	DMHDD: Abuse & Neglect
	5/94	Correctional Industries
	5/94	Central Management Services: Telecommunications
	3/94	Collection of Money from Circuit Clerks
	1/94	State Housing Benefits
	5/93	Public Aid: Property Transfers
	4/93	Office of the Inspector General
	4/93	Early Intervention Services System
	4/93	User Fees
	11/92	DMHDD: Abuse & Neglect
	7/92	St. Anne's Lease
	6/92	State Police I-SEARCH Program
	5/92	Privatizing Weigh Stations
	4/92	Henry Horner's Children's Care
	3/92	Governor's Council on Health & Physical Fitness
	3/92	Case Management Practices
	1/92	State Legal Services
	11/91	State Regulation of Insurer Solvency
	8/91	High Education "Systems of Systems"
	7/91	Eastern Illinois University Coal Conversion Project
	6/91	Special Analysis: Build Illinois
	5/91	Availability of Obstetric Care
	5/91	Collection of Sales & Taxes Receivable
	5/91	Property Forfeited Under the Illinois Controlled Substances Act
	3/91	Illinois Competitive Access & Reimbursement Equity Program
	3/91	Nutritional Services Paid by the Department of Children & Family Services
	2/91	Illinois Multi-Year Fixed Contractual Obligations
	2/91	Administrative Citations: Environmental Protection Agency

10/90	Project Chance Evaluation Contract		Programs
10/90	Frequent Flyer Programs	4/86	State Toxicology Lab
8/90	Parents Too Soon Program	4/86	Legislative Printing Unit
7/90	State University Tuition & Fee Policies & Practices	4/86	Engineering Programs in Illinois - NIU
7/90	Debt Collection Practices of Illinois & Other States	3/86	Claims & Accounts Receivable
5/90	DMHDD: Abuse & Neglect	3/86	Capital Development Board:Construction of the State of Illinois Center
4/90	Veterans' Affairs Field Office Closures	2/86	Illinois Commerce Commission
3/90	Illinois Competitive Access & Reimbursement Equity Program	2/86	Advisory Boards & Commissions
1/90	Public Aid's-Delta Dental	11/85	Data Security Practices
12/89	Regional Transportation Auth.	11/85	Hazardous Waste Management
11/89	Illinois Sports Facilities Authority & the Chicago White Sox	9/85	Management & Collection of Claims Receivable
11/89	Five State Retirement Systems' Financial Status	3/85	Perinatal Medical Care
10/89	Feasibility of Consolidating State Revenue Bond Agencies	10/84	State Employee Travel
7/89	Commerce & Community Affairs' Economic Development Programs	10/84	Feasibility Study: Rock Island Co. Facility
5/89	EPA's Hazardous Waste Management Program	9/84	Employment Security
4/89	Selected Auditor Comparability: Jobs & Pay		Unemployment Insurance
2/89	AIDS Testing: Statutory Requirements & Costs	8/84	Salaried Non-working Time Benefits
1/89	Public Univ. Instructional Costs	8/84	Responsible Relative Requirements
1/89	Vehicle Emissions Testing Program	5/84	Bd. of Investment: 5 State Retirement Systems
10/88	U of I Athletic Association	10/83	Commerce Comm.: Management Audits of Public Utilities
8/88	JTPA	5/83	Contractual Legal Services
7/88	Audit Status of Circuit Courts	4/83	Industrial Commission
6/88	Dept. of Revenue - Corporate Income Tax	12/82	Procurement Policies & Procedures
5/88	State Program of Internal Auditing	7/82	Criminal History Components
7/87	Computer Acquisition & Use in Higher Education	4/82	Financing of Improvements of Rock Island State Park
6/87	Chicago Housing Authority	1981	Chicago Road Fund
6/87	Cash Management Practices	12/81	DMHDD: Region 2
4/87	State Laboratory Services	11/81	Procurement of Real Property
4/87	U of I Hospital & Affiliated Clinics	10/81	Registration & Education: Investigation & Enforcement Functions
4/87	Chicago's Use of State Appropriated Funds	1/81	Licensing & Regulation of Bingo
10/86	State Pensions Assets Investment Performance	1/81	Chicago Bd. of Education
10/86	CMS - Lottery Building Lease	12/80	Nursing Home Reimbursement System
10/86	Property Management Problems - Mental Health Centers	12/80	DCFS Day Care Activities
5/86	Illinois Preferential Procurement	11/80	Dept. of Personnel Management
		10/80	Public Aid's Local Office Management
		9/80	Licensing of Grain Dealers
		7/80	Illinois Fair Employment Practices Commission
		6/80	Sect of State Vending Services
		5/80	Coastal Zone Management
		1/80	Court of Claims
		1/80	Cook Co. Health & Hospitals •