

# 2004

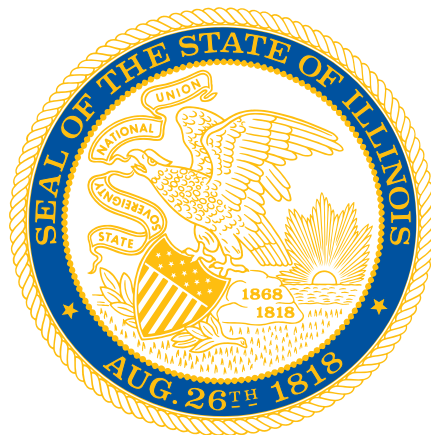
---

# ANNUAL REPORT

## STATE OF ILLINOIS

---

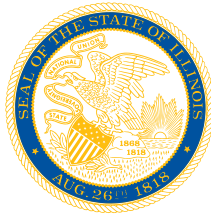
### OFFICE OF THE AUDITOR GENERAL



William G. Holland, Auditor General



SPRINGFIELD OFFICE:  
ILES PARK PLAZA  
740 EAST ASH • 62703-3154  
PHONE: 217/782-6046  
FAX: 217/785-8222 • TTY: 888-261-2887



CHICAGO OFFICE:  
STATE OF ILLINOIS BUILDING • SUITE 5-900  
160 NORTH LASALLE • 60601-3103  
PHONE: 312/814-4000  
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

March 1, 2005

Honorable Members of the General Assembly  
The Legislative Audit Commission  
The Honorable Rod Blagojevich, Governor  
Citizens of Illinois

Ladies and Gentlemen:

Enclosed is the Annual Report of the Auditor General's Office for the year ended December 31, 2004, submitted in compliance with Section 3-15 of the Illinois State Auditing Act.

Since assuming this position in 1992, my consistent commitment has been to present objective, balanced and independent audits. I believe this annual report reflects the success of my Office in meeting that goal during 2004. It will continue to be my goal during the coming year.

I thank all those who made possible the reported accomplishments, including members of the General Assembly, members and staff of the Legislative Audit Commission, and the staff of the Auditor General's Office.

Yours truly,

A handwritten signature in blue ink, appearing to read "William G. Holland". The signature is stylized and includes a long, sweeping line that extends upwards and to the right, ending in a small arrowhead.

WILLIAM G. HOLLAND  
Auditor General



# TABLE OF CONTENTS

---



- Overview . . . . . 1
- Public Information . . . . . 2
- Continuing Education and Training Requirements . . . . . 3
- Compliance Audit Program . . . . . 5
  - Accountability . . . . . 6
  - Federal Auditing/Statewide Single Audit Update . . . . . 11
  - Peer Review/Annual Audit Advisory/Other Audit Responsibilities . . . 12
- Performance Audit Program . . . . . 13
  - Performance Audits Completed in 2004 . . . . . 14
  - Performance Audits in Progress . . . . . 19
- Information Systems Audit Program . . . . . 21
  - ISA Findings . . . . . 22
- Organizational Chart . . . . . 23
- Claims Due the State and Methods of Collection . . . . . 25
- Summary of Appropriations and Expenditures . . . . . 25
- Financial and Compliance Audits Completed in 2004 . . . . . 26
- Performance Audits 1980-2004 . . . . . 30

CONTENTS

---



# 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 effective August 1, 1992, and unanimously appointed to a second ten-year term, effective August 1, 2002.

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, computer security, contracts, expenditure control, leases, misappropriation of funds, personnel and payroll, property control, purchasing, reimbursements, telecommunications, and travel.

Audit reports are reviewed by the Legislative Audit Commission in a public hearing attended by agency 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. ❖

---

# OVERVIEW

# 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 available on the Internet. This information includes current digests of Financial and Compliance audits and the year each Illinois State agency is audited. Also available is information on our Performance and Information Systems audits.

**OUR INTERNET WEB SITE ADDRESS IS:**  
<http://www.state.il.us/auditor>

**OUR E-MAIL ADDRESS IS:**  
[auditor@mail.state.il.us](mailto:auditor@mail.state.il.us)

**PUBLIC INFORMATION IS AVAILABLE BY WRITING:**

**FOIA Officer  
Office of the Auditor General  
Iles Park Plaza  
740 E. Ash St.  
Springfield, IL 62703-3154**

**Springfield .....Telephone: (217) 782-6046  
Fax: (217) 785-8222**

**Chicago .....Telephone: (312) 814-4000  
Fax: (312) 814-4006**

**TTY: (888) 261-2887**

# PUBLIC INFO.



# CONTINUING EDUCATION AND TRAINING REQUIREMENTS

---

The U.S. General Accounting Office (GAO) has established the Government Auditing Standards to ensure government auditors maintain competence, integrity, objectivity, and independence in conducting audits.



The general standard related to competence specifies that auditors assigned to the audit should collectively possess adequate professional competence for the tasks required. This standard establishes Continuing Professional Education (CPE) requirements for auditors who are responsible for planning, directing, performing, and reporting on government audits conducted in accordance with the Government Auditing Standards.

This training requirement first became effective January 1, 1989, and states that every 2 years auditors should complete at least 80 hours of CPE that enhance the auditor's professional proficiency to perform audits. A minimum of 24 hours of CPE should be in subjects directly related to government auditing, the government environment, or the environment in which the audited entity operates. At least 20 of the 80 hours should be completed in any one year of the 2-year period.

The most recently completed 2-year period for training requirements as measured by the Office of the Auditor General was January 1, 2003, through December 31, 2004. All Auditors, Audit Directors, and Information Specialists required to meet the training standard were in compliance for this 2-year 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. ❖

# TRAINING

---



# THE COMPLIANCE AUDIT PROGRAM

---

The Auditor General is required by the Illinois State Auditing Act to conduct a financial audit and/or compliance attestation engagement of every State agency at least once every two years. These engagements 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 165 financial audits, single audits, or compliance attestation engagements in 2004. Staff auditors conducted 26 of these engagements. Public accounting firms under the general direction and management of the Auditor General's audit managers performed the remainder.

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

# OVERVIEW

---

# ACCOUNTABILITY

A number of compliance reports issued in 2004 had findings that were important from an accountability standpoint.

## UNTIMELY DEPOSIT OF VIOLATION ENFORCEMENT AND MISCELLANEOUS RECEIPTS

The Toll Highway Authority did not deposit moneys received in accordance with the time frames set forth in the Toll Highway Act (605 ILCS 10/24) and the Trust Indenture Bond Agreement. Receipts included earned revenue and violation enforcement toll revenue.

The Toll Highway Act states that all receipts shall, within three days after receipt thereof, be paid to the Treasurer of the State of Illinois. Additionally, the Tollway's Trust Indenture Bond Agreement states that all revenue received by the Tollway, other than investment income, shall be delivered by the Tollway to the Treasurer, for deposit, not more than 5 business days after receipt.

During our audit we noted that 8 of 46 (17%) earned revenue receipts selected for testing were not deposited into the Treasury within 5 days of collection. In addition, we noted that 50 of 61 (82%) of violation enforcement toll revenue receipts were not deposited into the Treasury within 5 days of collection. This finding has been repeated since 1999.

Tollway officials agreed with our recommendation to implement procedures to ensure the deposit of receipts within the required time frame, and stated that they have implemented procedures to address the underlying sources of delay.

## FAILURE TO UPDATE BILLING RATES IN A TIMELY MANNER

The Department of Human Services Central Office (Department) did not update daily billing rates for residents in a State mental health or developmental disability facilities in a timely manner, resulting in approximately \$172,000 of lost revenue to the State.

Each year, the Department updates their daily billing rates as required by the Mental Health Act (Act) based on cost information from the previous fiscal year. For the years ended June 30, 1998, through June 30, 2001, these rates were updated no later than April 1 of the following year. We noted the Department did not update the daily billing rates for the year ended June 30, 2002, until December 1, 2003, eight months after the typical billing rate adjustment. Department calculations increased the daily rates at December 1, 2003, from \$401 to \$432 per day.

We estimated that had this new rate been calculated and put into effect April 1, 2003 (eight months earlier), the increased rate would have generated an additional \$172,000 for the Department. This estimate is only for amounts that would have been collected from private pay and insurance companies, and takes into consideration only 18% of total billings are collectible. This does not include Medicare, which is calculated separately.

Department personnel stated the rates were not updated due to an oversight. Although the Act does not stipulate a date these calculations should be completed, it is reasonable to expect the Department complete the calculations by April 1, nine months after the end of the fiscal year.

We recommended the Department implement policies and procedures to ensure that the daily billing rates are updated annually no later than April 1. Department officials accepted our recommendation and stated the daily billing rates were updated April 19, 2004, and policies and procedures are being developed to ensure that billing rates are updated on a timely basis.

## INADEQUATE CONTROLS OVER TELECOMMUNICATIONS

The Illinois Center For Rehabilitation and Education had inadequate controls over unauthorized telephone calls:

- There were 53 instances of directory assistance calls totaling \$358;

- 130 of 293 out-of-state calls were confirmed by management to be personal calls, totaling \$124. Forty-eight calls were personal calls to Puerto Rico totaling \$140; and
- 11 unassigned and unmonitored telephone units incurred charges totaling \$216.

Center officials agreed with our recommendations to comply with applicable policies and procedures for monitoring telecommunication charges, seek reimbursement for personal calls, and strengthen controls over out-of-state and international calls.

The Center's response stated that they were in the process of recovering some of the costs associated with these calls and that they had disconnected unassigned and unmonitored telephone extensions.

## INEFFICIENT TRACKING OF CASES/TAXPAYER CORRESPONDENCE

The Department of Revenue does not have an efficient electronic system to track cases/taxpayer correspondence that it receives and maintains. During a review of the Department's internal audit reports, we noted that the Department's Individual Income Tax Division utilized six different inventory systems to track cases/taxpayer correspondences. The Department's tracking of cases/inventory is not effective due to the following:

- The true aging of accounts is difficult to determine when inventory is closed on one system and set up on another system. The aging of the correspondence starts over every time it is moved to a new inventory system.
- Movement of cases between areas requires closure on one inventory system and set-up on another inventory system. This means that employees must re-enter all information in the new system.
- The Department must look in several inventory systems to find a case file or taxpayer correspondence.
- Information services must maintain several different systems.

- Employees must be trained on different systems and given access to several different systems.
- Management must review several different inventory reports.

Department personnel indicated that a Tax Response Monitoring system has been selected to be upgraded to take over all of the functions of the other five inventory systems. The Department, however, is still in the process of implementing this system.

We recommended the Department continue their progress in the development of an inventory system that can track returns and incoming correspondence from the time it is received by the Department until it is set up in the collection process or sent to files.

Department officials accepted our recommendation.

## FAILURE TO MONITOR LENDER CLAIMS

The Illinois Student Assistance Commission (ISAC) did not effectively monitor the submission of lender claims. As a result, over \$1.6 million in reimbursements from the federal government were forfeited.

The reinsurance program with the U.S. Department of Education allows the recovery of 98% of the payments to lenders when a student defaults on a guaranteed loan. The ability to recover the payments from the federal agency is dependent on ISAC paying the claim within 90 days of receipt of the claim.

ISAC management stated that the claims were not made to the lenders within 90 days because:

- All claims were not entered into the Odyssey computer system prior to implementation.
- Matching and edit routines in Odyssey system rejected valid claims.
- Resources were allocated to the Odyssey system project resulting in inadequate resources for claim processing.

We recommended ISAC establish procedures for assuring that all claims received are logged and entered into the system. Also, procedures should

include routine reconciliations between claims received and claims processed.

ISAC management agreed with the finding and recommendation and asserted the problem was most evident in the three-month period following the Odyssey system's implementation.

## NEED TO COMPLY WITH RAFFLES ACT IN THE COLLECTION OF SPECIFIC INFORMATION REGARDING RAFFLES

The State Board of Elections failed to properly report all receipts and disbursements for raffles benefiting political campaigns.

The current campaign disclosure report used by the Board does not specifically identify the gross receipts, expenses and net proceeds relating specifically to raffles.

The campaign disclosure form reports the total receipts and disbursements of a political committee, but there is no way to differentiate receipts related to raffles. Currently, there is no reporting mechanism at the Board to obtain information specific to raffles.

Failure to report the gross receipts, expenses, and net proceeds from raffles is noncompliance with the Raffles Act. The Raffles Act (230 ILCS 15/8.1) requires political committees licensed to conduct raffles to report the gross receipts, expenses and net proceeds from the raffles to the Board. Furthermore, the distribution of proceeds are required to be itemized as to payee, purpose, amount and date of payment by the political committee.

We recommended the Board comply with the Raffles Act in the collection of specific information relating to raffles or seek legislative remedy regarding the current statutory requirement.

Board officials disagreed with the finding and recommendation. The Board's opinion is that revenue generated by a raffle should be reported within the context of the Campaign Disclosure Act, which requires the itemization of any receipt or expenditure

in the aggregate that exceeds \$150. The Board believes the Raffles Act does not require gross and net amounts reported in the manner stipulated in the finding.

In an auditor's comment, we noted that Section 8.1 of the Raffles Act requires each political committee licensed to conduct raffles and chances to "keep records of its gross receipts, expenses and net proceeds for each single gathering or occasion at which winning chances are determined (emphasis added)." The campaign disclosure reports routinely filed with the Board do not contain this information. If the Board continues to disagree with the auditor's interpretation of the law, it should seek a formal written opinion from the Attorney General's Office to definitively determine its statutory responsibilities.

## INADEQUATE CONTROLS OVER PERSONAL SERVICES

The Illinois Court of Claims did not prepare and maintain complete attendance records for three of five (60%) employees during FY02 and FY03. Further, attendance and payroll records could not be reconciled to ensure employees were not paid for unearned leave time. In addition, the Court did not prepare and submit the FY02 and FY03 Compensated Absences (SCO-580) report to the Office of the State Comptroller.

We also noted that the Court did not conduct or document performance evaluations of five full-time employees. This finding has been repeated since 1999.

We recommended that the Court:

- Timely prepare and maintain all attendance records.
- Routinely compare accrued leave balances to payroll expenditures.
- Annually prepare and submit the SCO-580 report.
- Conduct and document annual performance evaluations of all full-time employees.

---

The Court agreed with the recommendations and stated that the Court was in the process of reconstructing the records and expected to be finished in February 2004. The Court further stated that a performance evaluation form had been drafted. The Court intended to perform an immediate evaluation for the two prior fiscal years and then annually in July thereafter.

## **DEPARTMENT DID NOT COMPLY WITH INNOVATIONS IN LONG-TERM CARE QUALITY GRANTS ACT**

The Department of Public Health did not comply with the Innovations in Long-term Care Quality Grants Act (Act). We noted the following:

- The Department did not establish a long-term care grant program and did not provide grants to long-term care facilities to fund programs that demonstrate creativity in service provisions through the scope of their programs or services as required by the Act.
- The Department deposited approximately \$1.1 million of federal civil monetary penalties collected into the Public Health Services Fund. However, these funds should have been deposited into the Long Term Care Monitor/Receiver Fund as required by the Act.

Department officials stated the program was not established and grants were not provided, as the Act has only been effective since August 2002. The Department is currently determining what action is necessary to implement the requirements of the Act. In addition, Department officials stated the funds were not deposited into the Long Term Care Monitor/Receiver Fund as this fund is for State funds and the moneys received were federal.

We recommended the Department comply with the Innovations in Long-term Care Quality Grants Act or seek legislative remedy.

Department officials concurred with our recommendation and will work towards implementing the

requirements of the Act. The Department will also seek a legislative change to the Act that correctly clarifies the deposit of funds.

## **INSUFFICIENT PROPERTY AND EQUIPMENT PROCEDURES**

The Human Rights Commission's property and equipment procedures were insufficient to ensure the proper accounting and safeguarding of State assets. During our review of property and equipment, we noted the following:

- The Commission did not provide adequate documentation for its property and equipment values.
- The Commission's detailed property and equipment listing did not contain acquisition date or cost for 429 out of 672 (64%) property items.
- The Commission's ending balances reported on the Agency Report of State Property could not be reconciled to the detailed property and equipment records, and additions and deletions of items were not reported.
- Five of 25 (20%) items tested were included on the Commission detailed property listing; however, the Commission no longer maintained the items.

The Commission's Property and Equipment Schedule contained approximately \$340,000 and \$339,000 in property and equipment at June 30, 2003 and 2002, respectfully. Due to the inability to support the values of the property and equipment amounts recorded, these amounts could not be audited.

We recommended the Commission conduct a thorough investigation to locate the documentation to determine the historical cost and implement controls to ensure accurate reporting of State property.

The Commission acknowledged and stated they would work with the Department of Central Management Services and the Office of the Comptroller to establish the value of the property and equipment items.

---

## BOARD MEMBERS' COMPENSATION

The Illinois Department of Professional Regulation provided compensation to board members of 18 various boards in excess of the statutorily mandated maximum of \$50 per day.

We noted the Department provides compensation that exceeds \$50 per day for services rendered by each member of the following boards: Architect Examining Committee (\$200), Illinois Board of Athletic Trainers (\$75), Land Surveyors Examining Committee (\$200), Medical Examining Committee (\$200), Nurse Examining Committee (\$125), Optometry Technical Advisory Board (\$100), Optometry Examining Committee (\$200), Professional Engineer Examination Committee (\$200), Psychology Examining Committee (\$100), Public Accounting Examining Committee (\$200), Structural Engineer Examining Committee (\$200), Landscape Architecture Board (\$150), Wholesale Drug Distributor Advisory Board (\$200), Physician Assistant Advisory Committee (\$100), Respiratory Care Board (\$100), Acupuncture Board (\$100), Advanced Practice Nursing Board (\$125), and Perfusion Advisory Board (\$100).

The Civil Administrative Code of Illinois requires that from amounts appropriated for compensation and expenses of boards, each member of each board shall receive compensation at a rate established by the Director, not to exceed \$50 per day, for the member's service, except as otherwise provided in any licensing Act.

Department officials attributed the paid per diems that exceeded the \$50 limit to an oversight.

We recommended the Department provide compensation at a rate not to exceed \$50 per day for services rendered by each member, as required by the Code or seek a legislative remedy regarding the statutory requirement.

Department officials concurred with our recommendation and noted they have apparently been in violation of this statute since 1988. All per diem levels were established prior to this audit period and the Department continued historical per diem payments in accordance with past practice. Beginning in fiscal year 2004, per diems for all Department of Professional Regulation board members have been eliminated. ❖



## 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. Overall, 41 Illinois State agencies expended federal financial assistance in FY 03.

The Schedule of Expenditures of Federal Awards (SEFA) reflects total expenditures of \$15.1 billion for the year ended June 30, 2003. Overall, the State participated in 345 different federal programs, however, 10 of these programs or program clusters accounted for approximately 82.3% of the total federal award expenditures.



Nine State agencies accounted for approximately 97.2% of all federal dollars spent during FY 03.

Our audit testing focused primarily on the 45 programs expending more than \$14.1 billion in federal awards.

FEDERAL AGENCIES PROVIDING FEDERAL FUNDING For the year ended June 30, 2003	
U.S. Department	Millions
Health and Human Services	\$ 7,090.6
Labor	3,449.6
Agriculture	1,738.3
Education	1,470.6
Transportation	826.4
All Others	484.8
<b>Total Federal Award Expenditures</b>	<b>\$ 15,060.3</b>

*Source: FY 2003 State of Illinois Single Audit Report.*

SUMMARY OF FEDERAL SPENDING BY STATE AGENCY For the year ended June 30, 2003	
Agency	Millions
Public Aid	\$ 5,214.3
Employment Security	3,435.3
Human Services	2,530.0
Board of Education	1,556.7
Transportation	816.5
Children & Family Services	536.7
Commerce & Economic Opportunity	202.6
Student Assistance Commission	184.4
Environmental Protection Agency	169.3
All Others	414.5
<b>Total Federal Spending</b>	<b>\$ 15,060.3</b>

*Source: FY 2003 State of Illinois Supplemental Report of Federal Expenditures by Agency/Program Fund.*

Our report contained 64 findings related to 15 State agencies.

# FEDERAL

---

## 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 2002 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 most recent prior peer reviews, conducted in 1996 and 1999, likewise resulted in unqualified opinions.

## ANNUAL AUDIT ADVISORY

Every year, the Auditor General's Office distributes an Illinois Audit Advisory to all State agencies for the purpose of sharing information that may make their operations more efficient and effective and increase compliance with State law. The 2004 Illinois Audit Advisory profiled the deficiencies that State agencies continue to have in making timely and accurate financial reporting in accordance with generally accepted accounting principles. The Advisory also highlighted changes in professional standards, such as the 2003 revisions to Government Auditing Standards and the implementation of Statement on Auditing Standards No. 99, *Consideration of Fraud in a Financial Statement Audit*.

## 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. ❖

# FEDERAL

# 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 the services which the General Assembly intended. Depending on the focus, performance audits are generally referred to as program or management audits.

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 changes is due to the process of transforming the audit findings and recommendations into legislative bills and converting bills into law; additionally, once a law is implemented, the effects may not be apparent for some time.

In June 2004, the Auditor General's Office was awarded the first-ever **Excellence in Accountability Award** by the National State Auditors Association (NSAA) for our *Management Audit of the Illinois State Toll Highway Authority*. NSAA established the Excellence in Accountability Awards Program last year to recognize outstanding performance audits and special projects. The Office's report was one of two winning entries selected from 16 submissions by audit organizations across the nation.

In June 2004, the *Management Audit of the Illinois State Toll Highway Authority* also received a **Certificate of Recognition of Impact** 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:

- 2002 *Management Audit of Agency Use of Internet User Tracking Technology*;
- 2001 *Management Audit of State Board of Education and Other State Agencies Providing Funding to Illinois' Regional Offices of Education*;
- 2000 *Management Audit of Child Support State Disbursement Unit*;
- 1999 *Management Audit of the Pilsen Little Village Community Mental Health Center*; and
- 1998 *Management Audit of Tuition and Fee Waivers*.

Performance audits directly impact and improve agency operations. The Auditor General released five performance audits in 2004. Those audit reports contained a total of 41 recommendations. Agencies generally accepted the audit recommendations to correct or improve operations.

In addition, the Performance Audit Program has the responsibility for audits of Regional Offices of Education (ROEs) and Intermediate Service Centers (ISCs). In 2004, the Auditor General released 45 audits of ROEs and 3 audits of ISCs. These 48 audits included a total of 119 recommendations for improvement.



PERFORMANCE

# PERFORMANCE AUDITS COMPLETED IN 2004

## DEPARTMENT OF CENTRAL MANAGEMENT SERVICES' ADMINISTRATION OF THE STATE'S SPACE UTILIZATION PROGRAM

Legislative Audit Commission Resolution No. 126 directed the Auditor General to conduct a management audit of the Department of Central Management Services' administration of the State's space utilization program.

The audit concluded that the State lacks an overall system to effectively manage real property. A real property management system should treat land and buildings as strategic assets to be managed proactively. The Department of Central Management Services (CMS) is designated as the State agency responsible for the State's space utilization program.

CMS does not maintain an accurate and complete inventory of real property owned by the State:

- In response to our survey, agencies reported to us that there were 201 properties that were owned by the agencies but which were not included in the CMS master record or were assigned to the incorrect agency. State-owned properties such as Lincoln's New Salem State Park, the Vandalia State House, and Lincoln's Tomb were not in the CMS master record. There were also 100 properties that needed some form of correction on the master record.
- The 102 county assessors we surveyed identified 27,783 parcels of land owned by the State. We sampled 150 parcels and found that 28% (42 of 150) should have been included in the CMS master record but were not.
- An automated system developed by CMS to report on real property owned by the State contained inaccurate information and its use was discontinued in August 2003.

CMS has no formal policies and procedures for ensuring that excess and surplus real property is reasonably considered when filling State agencies' space requests. In 69% of the lease files sampled (33 of 48), CMS did not check for availability of space in State-owned facilities until after CMS set up, and

the lessor signed, the lease.

In our testing, we identified a significant amount of excess space in both State-owned and State-leased properties:

- 17 State agencies surveyed listed excess space in 270 leases, representing approximately 413,000 square feet of excess leased space.
- Our testing identified that 90 of 574 buildings at Department of Human Services (DHS) facilities were unoccupied; 18% of the total square footage at DHS facilities was not being used. Several DHS facilities also reported excess land at their facilities.
- DHS leased excess space at its facilities to other entities. The 25 leases generated an average of \$0.15 per square foot in annual lease revenue; many of the leases charged minimal or no rent.

Since 1998, CMS has sold or conveyed seven State properties declared surplus by the controlling State agency.

- CMS did not meet timeframes established in administrative rules for notifying State agencies of the availability of surplus property.
- As of August 2003, CMS had only six properties listed as surplus.

The audit contained nine recommendations to the Department of Central Management Services to improve its space utilization program. The Department generally agreed with most of 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

## PERFORMANCE AUDITS COMPLETED IN 2004 (CONT.)

---

the Fund \$0.0006 per kilowatt hour of electricity the facilities sold to electric utilities.

Each audit is to be for distributions from the Fund for the immediately preceding year. This is the fifth audit conducted under this requirement. This audit covers distributions from the Fund during calendar year 2003.

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

- In 2003, Robbins received \$303,626 in quarterly disbursements from the Fund. The Village earned \$152 in interest for total cash receipts of \$303,778 in 2003.
- Robbins disbursed \$297,525 from Fund receipts. Specific disbursements in 2003 were for Village payroll and employee health insurance, Village water expenses, roofing a Village building, and acquisition of audit and accounting services. We identified no questionable expenditures in calendar year 2003.
- A revised, detailed spending policy was adopted by Village trustees on July 22, 2003. This policy addresses the classification of expenditures and adds provisions for reimbursement from other Village funds where appropriate.

### EXPENDITURES FROM THE ILLINOIS DEPARTMENT OF AGRICULTURE'S AQUACULTURE DEVELOPMENT FUND

Legislative Audit Commission Resolution No. 127 directed the Auditor General to conduct a management audit of the Illinois Aquaculture Development Fund within the Department of Agriculture. In Fiscal Years 2000 through 2004, the Department of Agriculture (Agriculture) distributed \$4,931,000 of State support to the Illinois Fish Farmers Cooperative (Cooperative) located in Pinckneyville, Illinois. Additional State funding of \$2,020,000 was provided as capital support for the Cooperative's fish processing plant. Operations at the fish process-

ing plant began in October 2001 and continued until the plant was formally shut down in September 2003.

The audit concluded the following:

- The Cooperative did not have an adequate business plan, and the plan that was developed was not completed until January 2001, in the middle of the second year in which the Cooperative was receiving State funding for operations and capital. At that point, the Cooperative had already received over \$3.2 million in capital and operating grant funding from the State.
- We identified some expenditures of the Illinois Fish Farmers Cooperative that were questionable for an entity receiving substantial State support. Those included taking a loss for fish farmers, expenditures for a shrimp festival, some meal, travel and advertising expenditures, as well as executive payments for relocation and severance.
- Agriculture did not develop administrative rules related to distributing Aquaculture Development Act funds as required by the Aquaculture Development Act (20 ILCS 215/5.5). Establishing adequate procedures and administrative rules could provide additional guidance and structure to the grant program as well as help to ensure State resources are expended for the purpose intended and that adequate accountability exists.
- The Cooperative generally kept adequate minutes, books, and records, but we did find examples where adequate records were not maintained. We also found documentation that showed that the Cooperative Board refused to make certain information in its records public as required by the Aquaculture Development Act.

The audit contained four recommendations. The Illinois Department of Agriculture and the Illinois Fish Farmers Cooperative generally agreed with the recommendations. The audit also contained one Matter for Consideration by the General Assembly. It was included because Public Act 93-839, passed by the General Assembly on July 24, 2004, and signed by the Governor on July 30, 2004, abolished the Illinois Aquaculture Development Fund effective

# PERFORMANCE AUDITS COMPLETED IN 2004 (CONT.)

August 31, 2004. However, references to the Illinois Aquaculture Development Fund remain in the statute, and may need to be amended to conform to the changes made by Public Act 93-839.

## REND LAKE CONSERVANCY DISTRICT

The Office of the Auditor General conducted a management and program audit of the Rend Lake Conservancy District (District) pursuant to Public Act 93-0275. The District was created in 1955 to provide water to Southern Illinois and now provides water, sewage collection, and recreation facilities such as golfing, trap shooting, lodging, and dining.

The audit concluded that the District had significant deficiencies in virtually all aspects of management, including: planning, water and sewage operations, personnel, contract management, property and equipment management, performance monitoring, and internal controls. More specifically, the audit concluded the following:

**1. Board of Trustees.** The Board of Trustees needs to fulfill its fiduciary responsibility over the Rend Lake Conservancy District. The Board did not follow some of its ordinances, including establishing a legal department and an engineering department. Instead, outside consultants were paid more than \$500,000 in fiscal year 2004 to provide legal and engineering services without written contracts.

**2. Planning.** The District failed to establish short-term and long-term plans. The District had no formal mission statement, no written goals and objectives, no strategic or operational plan, and few written policies and procedures.

**3. Financial Management.** The District did not have a specific line-item budget for each operational division to ensure the recreational activities cover the cost of operations. Trustees authorized approximately \$25 million in expenditures when the total revenues were approximately \$12 million. The recreational areas lost money. Sales of water have subsidized recreation and other activities over the years by more than \$10 million – funds that could

have been used to pay for upgrading the aging water plant.

**4. Water and Sewage.** The billing system for water made errors and required manual checks and corrections. No supervisor was assigned to review the accuracy of the bills. Few operational reports on water and sewage billing existed to inform management of problems. Residential customers were on self-determined billing cycles in which some paid monthly, some paid annually, and some paid in between these time frames.

**5. Personnel.** There was no written staffing plan that analyzed staffing needs, and the District lacked an adequate number of managers with a business background. The District's personnel files were incomplete and more than one-half of the 30 personnel files we sampled did not have complete job application forms. There was little documentation related to recruitment to demonstrate that the best candidates were selected (e.g., required and desired skills, interview records, reference checks, and decision memos).

**6. Contracts.** There was no list of all the contracts that the District had entered into and was legally bound to honor, including basic information, such as the number of oil wells on the District's property or the number of acres of farmland that were leased. No employee was assigned to monitor contracts to ensure such things as whether or not oil well operators or farmers were paying the District the correct amount.

**7. Property and Equipment.** The District's list of assets was incomplete, assets were not tagged, and an independent inventory was not conducted. The District did not know the total number of vehicles it owned, did not have titles for all its vehicles, and was not able to locate two vehicles that it had loaned.

**8. Monitoring.** The District lacked internal reporting to show whether its water plant and recreational activities were performing satisfactorily. A lack of goals, objectives, and performance statistics hinders the ability of the District to determine the efficiency

## PERFORMANCE AUDITS COMPLETED IN 2004 (CONT.)

---

and effectiveness of its operations. The water plant did not keep important information, such as performance indicators or benchmarking statistics to monitor its operations (e.g., number of main breaks, average customer outage time).

**9. Non-Compliance.** The District did not comply with several requirements that have been established by State law, such as establishing rates and charges that at least defray all fixed, maintenance, and operating expenses, or requiring that contracts exceeding \$2,500 be competitively bid and let to the lowest responsible bidder.

**10. Management Structure.** The District lacks an adequate number of professional managers with a business background for an organization with over \$12 million in annual revenues, diverse recreational assets, a water plant that helps to serve 160,000 people in Southern Illinois, and nearly 150 employees during the peak summer months. The District has been losing money on its recreational assets but continued to lack a business plan.

The audit identified deficiencies in 16 areas and recommended more than 70 specific actions. The District accepted all the recommendations.

### THE DEPARTMENT OF HUMAN SERVICES' OFFICE OF THE INSPECTOR GENERAL

This was our eighth audit of the Department of Human Services' Office of the Inspector General's (OIG's) effectiveness in investigating allegations of abuse or neglect. In Fiscal Year 2004, the Department of Human Services operated 17 State facilities and licensed, certified, or funded approximately 400 community agencies. The OIG has revised requirements in both its administrative rules and Investigative Directives that have had a significant impact on its operations. These include:

- Revised guidance on what constitutes abuse or neglect, resulting in a decrease in the number of abuse and neglect allegations reported to the OIG for investigation;

- No longer requiring serious injuries to residents not involving an abuse or neglect allegation to be reported to the OIG;
- A relaxing of the number of days to complete investigations from 60 calendar days to 60 working days;
- Less specific requirements and guidance in its Investigative Directives for investigators to follow; and
- Elimination of a minimum number of hours of training investigators are required to receive annually.

In this audit we also reported that:

- Timeliness of investigations has been an issue in all of the seven previous OIG audits. The OIG continued to have problems completing investigations timely. In Fiscal Year 2003, only 30 percent and in Fiscal Year 2004, only 39 percent were completed in 60 calendar days. In Fiscal Year 2002, 46 percent of investigations were completed in 60 calendar days.
- The OIG does not have an effective case management system in place to adequately monitor the timeliness of case completions. The OIG's case management system is not an electronic system, but is a series of manually prepared reports.
- OIG case reports generally were thorough, comprehensive, and addressed the allegation. Progress notes were obtained in cases where they were pertinent. However, photographs were not taken in 40 of 52 (77%) cases sampled where there was an allegation of an injury sustained.
- OIG investigators were not conducting their interviews with alleged victims in a timely manner. During our case file review, an average of 37 days elapsed from the date the OIG was notified of the incident to when the alleged victim was interviewed.
- The Quality Care Board (Board) did not meet statutory requirements regarding quarterly meetings, and in September 2004, all of the Board members' terms expired, leaving the Board without any current members.

## PERFORMANCE AUDITS COMPLETED IN 2004 (CONT.)

---

The report contained 12 total recommendations, 10 related to the Office of the Inspector General, 1 recommendation to both the Office of the Inspector General and the Illinois State Police, and 1 to the Office of the Inspector General and the Department of Human Services. The Inspector General's response noted that the OIG intends to implement most of the recommendations.

### REGIONAL OFFICES OF EDUCATION AUDITS

In addition to other duties, the Auditor General now has the responsibility for annual audits of

the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State. A total of 48 audits were released in 2004: 45 of Regional Offices of Education (ROEs), and 3 of Intermediate Service Centers (ISCs). Our office arranged for auditing firms to perform these audits under the general direction and management of the Auditor General's audit managers. Of the 48 audits, 32 included recommendations for improvement. There were a total of 119 recommendations. Many of the recommendations dealt with the need to improve controls over fixed assets and the segregation of duties. ❖

PERFORMANCE

---



# PERFORMANCE AUDITS IN PROGRESS

---

## THE ILLINOIS SCHOOL DISTRICT LIQUID ASSET FUND PLUS

Senate Resolution No. 171 directs the Auditor General to conduct a management audit of the Illinois School District Liquid Asset Fund Plus in regard to the following:

- Whether the Fund's provisions regarding conflicts of interest are sufficient and comparable to other pools investing public moneys;
- Whether the Fund's performance is comparable to other pools investing public moneys; and
- Whether controls are in place to adequately protect public moneys invested in the Fund.

## STUDY OF STATE EMPLOYEE TRAVEL BETWEEN CHICAGO AND OTHER ILLINOIS CITIES

House Resolution No. 1039 directs the Auditor General to conduct a study of reimbursable expenses incurred by the employees of State agencies, during Fiscal Year 2004, for travel between Chicago and other Illinois cities. The Auditor General is directed to suggest any additional procedures that might be implemented to make it easier to track the travel expenditures of State employees.

## THE DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY'S ADMINISTRATION OF ITS ECONOMIC DEVELOPMENT PROGRAMS

House Resolution No. 671 directs the Auditor General to conduct a management and program audit of the Department of Commerce and Economic Opportunity's (DCEO) administration of its economic development programs. The audit will include, but need not be limited to, the following determinations:

- Whether DCEO's economic development programs are operated in conformity with applicable federal and state requirements;
- Whether DCEO has established and implemented procedures to periodically review both the efficiency and effectiveness of its economic development programs;
- Whether DCEO has in place appropriate monitoring and reporting procedures to ensure that it receives timely and accurate information from its grant and loan recipients;
- Whether DCEO's reported performance measures are periodically reviewed and adequately supported by underlying documentation; and
- Whether DCEO's performance measures indicate that its economic development programs are effective in accomplishing their stated purposes.

## THE DEPARTMENT OF TRANSPORTATION'S TRAFFIC SAFETY PROGRAMS

Legislative Audit Commission No. 129 directs the Auditor General to conduct a management and program audit of the Department of Transportation's traffic safety programs in regards to the following determinations:

- Whether the Department's traffic safety programs are being operated in conformity with applicable State and federal requirements;
- Whether the Department has established and implemented procedures to periodically review both the efficiency and effectiveness of its traffic safety initiatives;
- Whether the Department's traffic safety programs have experienced either staffing or budgetary reductions in the past two fiscal years and the impact of those reductions, if any, on the programs' operations;
- Whether the Department has plans for future reductions of staff and/or budget in its traffic

## PERFORMANCE AUDITS IN PROGRESS (CONT.)

---

safety programs and the extent to which the Department has analyzed the impact of those reductions on the programs' operations; and

- The extent to which any past reductions have impacted, or any planned reductions may impact, federal funding for traffic safety programs.

### 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.

### REGIONAL OFFICES OF EDUCATION AUDITS

In 2005 the Auditor General's Office will conduct annual audits of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State. A total of 48 audits are to be performed. ❖

# THE INFORMATION SYSTEMS AUDIT 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 2004, we reviewed the following agencies:

Department of Agriculture, Department of Employment Security, Department of Human Services, Department of Professional Regulation, Department of Public Aid, Department of Revenue, Department of Transportation, Governors State University, Illinois Commerce Commission, Illinois Criminal Justice Information Authority, Illinois Industrial Commission, Illinois State University, Illinois Student Assistance Commission, Illinois Supreme Court, Office of the Comptroller, State Board of Elections, State Universities Retirement System, and the University of Illinois.

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 and implementing comprehensive security techniques 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 101 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. ❖

INFO. SYSTEMS

---

Six agencies (the Department of Children and Family Services, Department of Transportation, Governors State University, Illinois Industrial Commission, Illinois Supreme Court, and Southern Illinois University) had computer security deficiencies. Security administration was not always effective, and 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, comprehensive security policies did not exist, and effective password controls were not always used. We recommended that these agencies establish comprehensive security policies and procedures and implement suitable security parameters to protect information assets.

The Department of Agriculture, Illinois Industrial Commission, and Illinois Student Assistance Commission had deficiencies in the system development process that resulted in implementation delays or insufficient documentation. We recommended that these agencies ensure that all system development projects adhere to appropriate systems development standards.

The Illinois Industrial Commission, Illinois Student Assistance Commission, and Office of the Secretary of State did not have required internal audit reviews performed on new computer applications. The Fiscal Control and Internal Auditing Act (30 ILCS

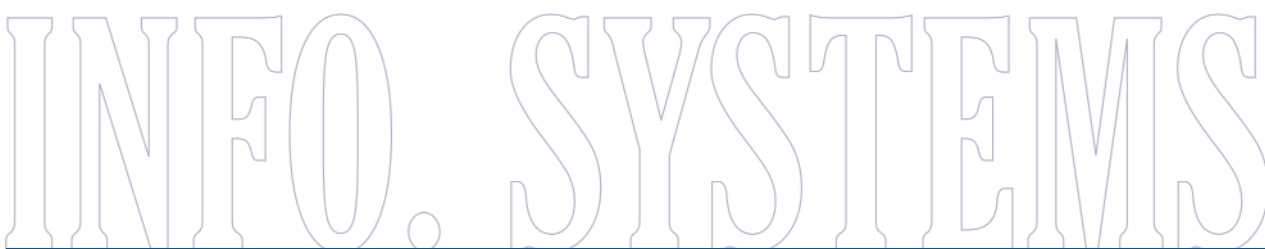
10/2003) requires the internal audit department review “the design of major new electronic data processing systems and major modifications to those systems before their installation to ensure the systems provide for adequate audit trails and accountability.”

Multiple agencies, including the Department of Agriculture, Department of Revenue, Eastern Illinois University, Illinois Criminal Justice Information Authority, Illinois State University, State Board of Education, and Southern Illinois University, 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.

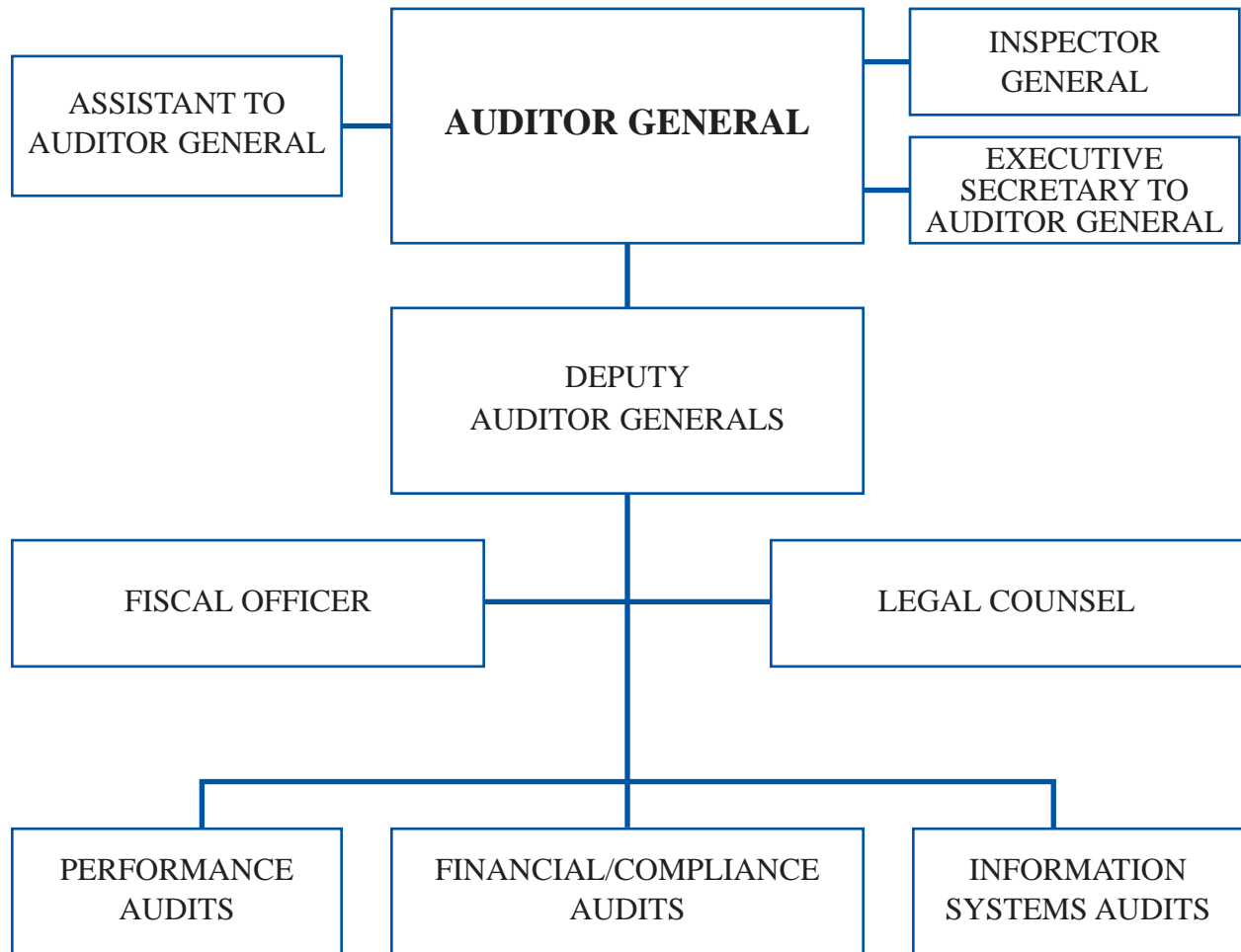
Information systems audit staff also reviewed the Generally Accepted Accounting Principles (GAAP) System at the Office of the Comptroller. This system is used to accumulate fiscal information from all State agencies into the State’s comprehensive financial report. No significant problems were identified in the computational portion of the automated GAAP System.

The Information Systems Audit Division also maintains the computer system environment for the office. ❖



# ORGANIZATIONAL CHART

As of December 2004, there were 74 employees. Sixty-eight were located in the Springfield Office and six in the Chicago Office. ❖



# ORGANIZATION



## 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, 2004. The accounts receivable 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 2004 (July 1, 2003, to August 31, 2004, including lapse period).

<i><b>FY 2004 - FINAL</b></i>			
	<i>Appropriation</i>	<i>Expended</i>	<i>Balance</i>
Personal Services . . . . .	\$ 3,976,000	\$ 3,655,200	\$ 320,800
Employee Retire. (Employer) . . . . .	159,000	136,695	22,305
State Retirement . . . . .	534,300	344,966	189,334
Social Security . . . . .	304,200	269,706	34,494
Contractual Services . . . . .	580,768	546,349	34,419
Travel . . . . .	88,000	49,484	38,516
Commodities . . . . .	20,000	13,074	6,926
Printing . . . . .	22,000	18,100	3,900
Equipment . . . . .	122,532	120,586	1,946
EDP . . . . .	82,000	81,154	846
Telecommunications . . . . .	75,000	58,622	16,378
Oper. of Auto. Equip. . . . .	5,000	3,391	1,609
Audits/Studies/Invest.* . . . . .	<u>14,123,715</u>	<u>12,283,226</u>	<u>1,840,489</u>
<b>TOTAL . . . . .</b>	<b><u>\$ 20,092,515</u></b>	<b><u>\$ 17,580,553</u></b>	<b><u>\$ 2,511,962</u></b>

\*Audit Expense Fund

# FINANCIAL AND COMPLIANCE AUDITS

FOR THE PERIODS ENDING  
 JUNE 30, 2003, SEPTEMBER 30, 2003, DECEMBER 31, 2003, and APRIL 30, 2004

*F = Financial C= Compliance*

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Alton Mental Health Center		x	05-20-04
Arts Council and Foundation	x	x	04-06-04
Attorney Registration and Disciplinary Commission	x	x	05-12-04
Board of Admissions to the Bar	x	x	04-15-04
Board of Higher Education		x	04-20-04
Capital Development Board	x		02-18-04
Center for Rehabilitation and Education		x	05-20-04
Chester Mental Health Center		x	05-20-04
Chicago Read Mental Health Center		x	05-20-04
Chicago State University	x	x	03-02-04
Chicago State University Foundation	x	x	03-02-04
Choate Mental Health Center		x	05-20-04
Civil Service Commission		x	02-18-04
Commission on Intergovernmental Cooperation		x	05-13-04
Comptroller - Fiscal Officer	x	x	05-12-04
Correctional Industries	x		03-02-04
Court of Claims		x	03-02-04
Criminal Justice Information Authority		x	02-26-04
DCMS - Deferred Compensation Plan - 12/31/03	x		07-15-04
Deaf and Hard of Hearing Commission		x	03-02-04
Department of Agriculture	x	x	04-20-04
Department of Central Management Services	x		03-02-04
Department of Children and Family Services	x	x	04-20-04
Department of Employment Security	x	x	04-06-04
Department of Human Rights		x	04-06-04
Department of Human Services - Central Office	x	x	05-20-04
Department of Insurance	x	x	03-04-04
Department of Labor		x	03-18-04
Department of Lottery	x	x	03-04-04
Department of Nuclear Safety		x	04-06-04
Department of Professional Regulation	x	x	07-15-04
Department of Public Aid	x	x	04-15-04
Department of Public Health		x	03-02-04
Department of Revenue	x	x	04-27-04
Department of Transportation	x	x	04-13-04
Drycleaner Environmental Restoration Trust Fund Council		x	03-18-04
DuPage Water Commission (04/30/04)	x	x	09-23-04
DuQuoin State Fair (09/30/03)	x	x	04-20-04
Eastern Illinois University	x	x	03-30-04
Eastern Illinois University Alumni Association	x	x	03-30-04
Eastern Illinois University Foundation	x	x	03-30-04
Economic and Fiscal Commission		x	05-13-04



<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Educational Labor Relations Board		x	02-24-04
Elgin Mental Health Center		x	05-20-04
Emergency Management Agency		x	04-27-04
Fox Developmental Center		x	05-20-04
General Assembly - Senate and House		x	05-13-04
General Assembly Retirement System	x		02-10-04
General Assembly Retirement System		x	03-11-04
Governors Commission on the Status of Women		x	04-15-04
Governors Office of Management and Budget	x	x	05-12-04
Governors State University	x	x	02-24-04
Governors State University Alumni Association	x	x	02-24-04
Governors State University Foundation	x	x	02-24-04
Guardianship and Advocacy Commission	x	x	02-18-04
High School Association		x	04-13-04
Housing Development Authority	x	x	06-08-04
Howe Developmental Center		x	05-20-04
Human Rights Commission		x	02-26-04
Illinois Building Commission		x	02-26-04
Illinois Commerce Commission		x	03-09-04
Illinois Conservation Foundation	x	x	03-30-04
Illinois Council on Developmental Disabilities		x	02-24-04
Illinois Developmental Finance Authority (06/30/03)	x	x	02-26-04
Illinois Developmental Finance Authority (12/31/03)	x	x	08-24-04
Illinois Educational Facilities Authority (06/30/03)	x	x	03-09-04
Illinois Educational Facilities Authority (12/31/03)	x	x	08-24-04
Illinois Environmental Protection Agency	x		03-04-04
Illinois Farm Development Authority (06/30/03)	x	x	03-09-04
Illinois Farm Development Authority (12/31/03)	x	x	09-23-04
Illinois Gaming Board		x	04-27-04
Illinois Grain Insurance Corporation	x	x	03-30-04
Illinois Health Facilities Authority (06/30/03)	x	x	02-24-04
Illinois Health Facilities Authority (12/31/03)	x	x	07-15-04
Illinois Labor Relations Board		x	02-18-04
Illinois Liquor Control Commission		x	03-02-04
Illinois Math and Science Academy and Fund	x	x	02-26-04
Illinois Petroleum Resources Board		x	04-15-04
Illinois Racing Board		x	03-02-04
Illinois Rural Bond Bank (06/30/03)	x	x	03-09-04
Illinois Rural Bond Bank (12/31/03)	x	x	09-23-04
Illinois State Fair (09/30/03)	x	x	04-20-04
Illinois State University	x	x	03-09-04
Illinois State University Foundation	x		01-28-04
Illinois Student Assistance Commission	x	x	04-13-04
Illinois Student Assistance Commission - IDAPP and Prepaid Tuition	x		04-13-04
Illinois Supreme Court		x	05-06-04
Industrial Commission	x	x	04-06-04

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Jacksonville Developmental Center		x	05-20-04
Judges Retirement System	x		02-10-04
Judges Retirement System		x	03-11-04
Kankakee River Valley Area Airport Authority	x	x	04-13-04
Kiley Developmental Center		x	05-20-04
Legislative Audit Commission		x	05-13-04
Legislative Printing Unit		x	05-13-04
Legislative Reference Bureau		x	05-13-04
Legislative Research Unit		x	05-13-04
Lincoln Developmental Center		x	05-20-04
Literacy Foundation	x	x	05-06-04
Ludeman Developmental Center		x	05-20-04
Mabley Developmental Center		x	05-20-04
Madden Mental Health Center		x	05-20-04
McFarland Mental Health Center		x	05-20-04
Metro. Pier and Exposition Authority		x	04-27-04
Murray Developmental Center		x	05-20-04
Northeastern Illinois University	x	x	02-24-04
Northeastern Illinois University Foundation	x	x	02-24-04
Northern Illinois University	x	x	02-26-04
Northern Illinois University Alumni Association	x		01-28-04
Northern Illinois University Foundation	x		01-28-04
Office of the Governor		x	05-06-04
Office of the Lieutenant Governor		x	05-06-04
Pension Laws Commission		x	05-13-04
Prairie State 2000 Authority	x	x	02-18-04
Rend Lake Conservancy District (04/30/04)	x		09-23-04
School for the Deaf		x	05-20-04
School for the Visually Impaired		x	05-20-04
Secretary of State	x	x	05-06-04
Shapiro Developmental Center		x	05-20-04
Singer Mental Health and Developmental Center		x	05-20-04
Southern Illinois University	x	x	03-24-04
Southern Illinois University Carbondale - Alumni Assoc.	x	x	03-24-04
Southern Illinois University Carbondale - Foundation	x	x	03-24-04
Southern Illinois University Carbondale Foundation - Evergreen Terrace	x	x	03-24-04
Southern Illinois Univ. Edwardsville - Alumni Assoc.	x	x	03-24-04
Southern Illinois University Edwardsville - Foundation	x	x	03-24-04
Southern Illinois University Physicians and Surgeons	x	x	03-24-04
Southern Illinois University Research Park	x	x	03-24-04
Southern Illinois University - University Park	x	x	03-24-04
Space Needs Commission		x	05-13-04
State Board of Education	x	x	03-30-04
State Board of Elections		x	03-30-04
State Board of Investment	x		02-10-04
State Board of Investment		x	03-11-04

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
State Employees' Retirement System	x		02-10-04
State Employees' Retirement System		x	03-11-04
State Universities Retirement System	x		02-10-04
State Universities Retirement System		x	03-11-04
Statewide Single Audit	x	x	08-26-04
Summer School for the Arts		x	02-18-04
Teachers' Retirement System	x		02-10-04
Teachers' Retirement System		x	03-11-04
Teachers' Pension and Retirement System - Chicago		x	04-13-04
Tinley Park Mental Health Center		x	05-20-04
Toll Highway Authority	x	x	07-15-04
Treasurer - Bright Start College Savings Program	x		02-18-04
Treasurer - Fiscal Officer	x	x	05-06-04
Treasurer - Illinois Funds	x		02-18-04
Treasurer - Non-fiscal officer	x	x	05-06-04
Universities Civil Service Commission		x	04-06-04
University of Illinois	x	x	03-18-04
University of Illinois Alumni Association	x		01-28-04
University of Illinois Foundation	x		01-28-04
University of Illinois - Prairieland Energy, Inc.	x		01-28-04
Western Illinois University Foundation	x	x	03-04-04
Zeller Mental Health Center		x	05-20-04



# PERFORMANCE AUDITS, INQUIRIES, & SPECIAL REPORTS

## AUDITS IN PROGRESS

- The Illinois School District Liquid Asset Fund Plus
- Study of State Employee Travel Between Chicago and other Illinois Cities
- The Department of Commerce and Economic Opportunity's Administration of Its Economic Development Programs
- Department of Transportation's Traffic Safety Programs
- Village of Robbins' Use of Municipal Economic Development Funds

12/04	Department of Human Services' Office of the Inspector General	7/02	Department of Public Aid's KidCare Program
9/04	Rend Lake Conservancy District	4/02	Department of Human Services Early Intervention Program Follow-up
9/04	Illinois Aquaculture Development Fund	4/02	States Construction Contracting Methods
8/04	Village of Robbins' Use of Municipal Economic Development Funds	1/02	Agency Use of Internet User Technology
2/04	Department of Central Management Services' Administration of the State's Space Utilization Program	10/01	EPA's Vehicle Emissions Testing Program
12/03	Regulation of Grain Dealers and the Grain Insurance Fund	9/01	Illinois Health Facilities Planning Board
11/03	Grade Crossing Protection Fund	8/01	Board of Education and Other State Agencies Providing Funding to Regional Offices of Education
9/03	Village of Robbins' Use of Municipal Economic Development Funds	6/01	Village of Robbins' Use of Municipal Economic Development Funds
5/03	Illinois State Toll Highway Authority	5/01	Tuition & Fee Waivers Follow-up
4/03	Teachers Academy for Mathematics and Science	12/00	DHS Office of the Inspector General
1/03	Group Workers Compensation Self-Insured Pools	6/00	Municipal Economic Development Fund Distributions: Village of Robbins
12/02	DHS Office of the Inspector General	3/00	Department of Public Aid: Child Support State Disbursement Unit
8/02	Village of Robbins' Use of Municipal Economic Development funds	11/99	Illinois Math & Science Academy
8/02	Department of Human Services' Early Intervention Program	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	5/91	Property Forfeited Under the Illinois Controlled Substances Act
4/96	DMHDD – Reporting of Resident Abuse & Neglect	3/91	Illinois Competitive Access & Reimbursement Equity Program
5/95	Summer Unemployment at State Universities	3/91	Nutritional Services Paid by the Department of Children & Family Services
2/95	Laws Considered Obsolete	2/91	Illinois Multi-Year Fixed Contractual Obligations
1/95	Public Aid’s Child Support Program	2/91	Administrative Citations: Environmental Protection Agency
12/94	Office of the Inspector General	10/90	Project Chance Evaluation Contract
6/94	Toll Highway: Helicopters	10/90	Frequent Flyer Programs
6/94	DMHDD: Abuse & Neglect	8/90	Parents Too Soon Program
5/94	Correctional Industries	7/90	State University Tuition & Fee Policies & Practices
5/94	Central Management Services: Telecommunications	7/90	Debt Collection Practices of Illinois & Other States
3/94	Collection of Money from Circuit Clerks	5/90	DMHDD: Abuse & Neglect
1/94	State Housing Benefits	4/90	Veterans’ Affairs Field Office Closures
5/93	Public Aid: Property Transfers	3/90	Illinois Competitive Access & Reimbursement Equity Program
4/93	Office of the Inspector General	1/90	Public Aid’s Delta Dental
4/93	Early Intervention Services System	12/89	Regional Transportation Authority
4/93	User Fees	11/89	Illinois Sports Facilities Authority & the Chicago White Sox
11/92	DMHDD: Abuse & Neglect	11/89	Five State Retirement Systems’ Financial Status
7/92	St. Anne’s Lease	10/89	Feasibility of Consolidating State Revenue Bond Agencies
6/92	State Police I-SEARCH Program	7/89	Commerce & Community Affairs’ Economic Development Programs
5/92	Privatizing Weigh Stations	5/89	EPA’s Hazardous Waste Management Program
4/92	Henry Horner’s Children’s Care	4/89	Selected Auditor Comparability: Jobs & Pay
3/92	Governor’s Council on Health & Physical Fitness	2/89	AIDS Testing: Statutory Requirements & Costs
3/92	Case Management Practices	1/89	Public Univ. Instructional Costs
1/92	State Legal Services	1/89	Vehicle Emissions Testing Program
11/91	State Regulation of Insurer Solvency	10/88	U of I Athletic Association
8/91	Higher 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		

8/88	JTPA	9/84	Employment Security Unemployment Insurance
7/88	Audit Status of Circuit Courts	8/84	Salaried Non-working Time Benefits
6/88	Dept. of Revenue - Corporate Income Tax	8/84	Responsible Relative Requirements
5/88	State Program of Internal Auditing	5/84	Board of Investment: Five State Retirement Systems
7/87	Computer Acquisition & Use in Higher Education	10/83	Commerce Comm.: Management Audits of Public Utilities
6/87	Chicago Housing Authority	5/83	Contractual Legal Services
6/87	Cash Management Practices	4/83	Industrial Commission
4/87	State Laboratory Services	12/82	Procurement Policies & Procedures
4/87	U of I Hospital & Affiliated Clinics	7/82	Criminal History Components
4/87	Chicago's Use of State Appropriated Funds	4/82	Financing of Improvements of Rock Island State Park
10/86	State Pensions Assets Investment Performance	1981	Chicago Road Fund
10/86	CMS – Lottery Building Lease	12/81	DMHDD: Region 2
10/86	Property Management Problems – Mental Health Centers	11/81	Procurement of Real Property
5/86	Illinois Preferential Procurement Programs	10/81	Registration & Education: Investigation & Enforcement Functions
4/86	State Toxicology Lab	1/81	Licensing & Regulation of Bingo
4/86	Legislative Printing Unit	1/81	Chicago Bd. of Education
4/86	Engineering Programs in Illinois – NIU	12/80	Nursing Home Reimbursement System
3/86	Claims & Accounts Receivable	12/80	DCFS Day Care Activities
3/86	Capital Development Board: Construction of the State of Illinois Center	11/80	Dept. of Personnel Management
2/86	Illinois Commerce Commission	10/80	Public Aid's Local Office Management
2/86	Advisory Boards & Commissions	9/80	Licensing of Grain Dealers
11/85	Data Security Practices	7/80	Illinois Fair Employment Practices Commission
11/85	Hazardous Waste Management	6/80	Secretary of State Vending Services
9/85	Management & Collection of Claims Receivable	5/80	Coastal Zone Management
3/85	Perinatal Medical Care	1/80	Court of Claims
10/84	State Employee Travel	1/80	Cook Co. Health & Hospitals
10/84	Feasibility Study: Rock Island Co. Facility		

# AUDITS



