



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

**ABRAHAM LINCOLN PRESIDENTIAL
 LIBRARY AND MUSEUM**

**Compliance Examination
 For the Two Years Ended June 30, 2019**

Release Date: April 28, 2020

FINDINGS THIS AUDIT: 15				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	4	0	4	No Repeat Findings			
Category 2:	11	0	11				
Category 3:	0	0	0				
TOTAL	15	0	15				
FINDINGS LAST AUDIT: 0*							

*This is the first examination of the Abraham Lincoln Presidential Library and Museum

INTRODUCTION

Effective July 1, 2017, Executive Order 2017-01 abolished the Historic Preservation Agency (HPA) and transferred all the powers, duties, functions, and responsibilities of HPA, except those relating to the Historic Preservation within the Department of Natural Resources' Office of Land Management Division, to the newly created Abraham Lincoln Presidential Library and Museum (ALPLM).

SYNOPSIS

- **(19-01)** ALPLM did not maintain adequate controls over receipts and refunds.
- **(19-02)** ALPLM did not maintain sufficient controls over its property and related fiscal records.
- **(19-03)** ALPLM did not comply with its Museum Collections Policy.

Category 1:	Findings that are material weaknesses in internal control and/or a qualification on compliance with State laws and regulations (material noncompliance).
Category 2:	Findings that are significant deficiencies in internal control and noncompliance with State laws and regulations.
Category 3:	Findings that have no internal control issues but are in noncompliance with State laws and regulations.

**ABRAHAM LINCOLN PRESIDENTIAL LIBRARY AND MUSEUM
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019**

EXPENDITURE STATISTICS	2019	2018
Total Expenditures.....	\$ 10,504,664	\$ 10,279,580
OPERATIONS TOTAL.....	\$ 10,475,296	\$ 10,277,602
% of Total Expenditures.....	99.7%	100.0%
Personal Services.....	5,877,315	5,453,918
Other Payroll Costs (FICA, Retirement).....	432,797	401,038
All Other Operating Expenditures.....	4,165,184	4,422,646
AWARDS AND GRANTS.....	\$ -	\$ -
% of Total Expenditures.....	0.0%	0.0%
REFUNDS.....	\$ -	\$ 539
% of Total Expenditures.....	0.0%	0.0%
PERMANENT IMPROVEMENTS.....	\$ 29,368	\$ 1,439
% of Total Expenditures.....	0.3%	0.0%
Total Receipts.....	\$ 2,192,673	\$ 2,011,225
Average Number of Employees.....	74	70

AGENCY DIRECTOR

During Examination Period: Mr. Alan Lowe

Currently: Ms. Melissa Coultas

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER RECEIPTS AND
REFUNDS**

**Inadequate internal controls over
receipts and refunds**

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not maintain adequate internal controls over receipts and refunds.

The ALPLM recorded cash receipts of \$2,011,225 and refunds of \$330 for Fiscal Year 2018 and cash receipts of \$2,192,673 and refunds of \$1,746 for Fiscal Year 2019.

During testing, we noted the following:

Improper segregation of duties

- The ALPLM did not maintain proper segregation of custody and recordkeeping duties over receipt collection and processing for facility rental and parking fee revenues.
- One of four (25%) refunds tested, totaling \$1,148, was deposited 75 days late.

**Untimely deposits were not included
as revenue in respective fiscal years**

- Copy petitions revenue of \$24,279 for Fiscal Year 2018 and \$11,091 for Fiscal year 2019 were not deposited into the State Treasury as of the end of the respective fiscal year and therefore were not included as revenue on the Monthly Revenue Status Report (SB04).

Receipts deposited untimely

- Seven of 60 (12%) receipts tested, totaling \$27,720, were deposited between 1 to 20 days late.
- Nineteen of 60 (32%) receipts tested, totaling \$213,946, did not include any documentation to support the date the receipt was received. Therefore, timeliness of the deposit could not be determined.

**Timeliness of deposit could not be
determined**

- Two of 60 (32%) receipts tested, totaling \$53,189, have RDTs which were sent to the Illinois Office of the Comptroller (IOC) 12 and 19 days after the State Treasurer issued the Treasurer's Draft.
- Four of 60 (7%) receipts tested, totaling \$8,748, have incorrect revenue codes.

RDTs submitted to IOC untimely

**Supporting documentation of
receipts was not maintained**

- Eight of 60 (13%) receipts tested, totaling \$55,692, did not include supporting documentation for the receipts. Therefore, accuracy of receipt reporting could not be determined.

**Receipt documentation did not
include Treasurer's Draft or
clearing activity report**

- One of 60 (2%) receipts tested, totaling \$11,273, had no Treasurer's Draft nor a clearing activity report. Therefore, timeliness of RDT submission could not be verified. In addition, ALPLM was unable to provide supporting documentation for \$3,503 of this receipt. (Finding 2019-001, pages 12-14)

We recommended ALPLM establish proper segregation of duties over the receipts process, perform supervisory review

over all reporting and transaction processing, and maintain accurate documentation to support receipt and refund activities and the related reviews performed.

Agency officials agreed

Agency officials accepted our recommendation and stated the ALPLM is currently establishing formal policies and procedures and have already implemented supervisory review over all reporting and transaction processing functions.

PROPERTY CONTROL WEAKNESSES

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not maintain sufficient controls over its property and related fiscal records.

Insufficient controls over property and related fiscal records

During testing, we requested ALPLM provide various populations related to ALPLM's equipment. ALPLM provided its detailed list of owned equipment. We noted the following problems relative to the ALPLM's population:

Additions listing was incomplete

- ALPLM was unable to provide a complete and detailed population of additions for Fiscal Year 2018 and 2019. The listing of additions supporting the amounts reported as additions on the ALPLM Reports of State Property (Form C-15) submitted to the Illinois Office of the Comptroller (IOC) only included Capital Development Board and Historic Preservation Agency (HPA) transfers-in. Equipment purchases during the examination period which are capitalizable were not recorded as additions. As a result, we were unable to test the ALPLM's compliance relative to equipment additions.
- ALPLM's population of deletions for Fiscal Years 2018 and 2019 did not identify the date of the deletion and the manner in which the asset was disposed. As a result, we were unable to test the ALPLM's compliance relative to equipment deletions.

Deletions listing did not include date item was deleted from property records

Even given the population limitations noted above which hindered our ability to conclude whether selected samples were representative of the population as a whole, we performed tests and a few of the items we noted follow:

**Items could not be located
Item had a different tag number**

Items were not capitalized or added to property listing

Reports were inaccurate

- Items could not be physically located, items found in a different location than noted on property records, and items with tag numbers that did not agree to the ALPLM's list of equipment.
- Equipment vouchers were not capitalized and were not added to the property
- Form C-15s submitted to the Office of the Comptroller were inaccurate.
- Annual inventory certifications filed with the Department of Central Management Services were inaccurate. (Finding 2019-002, pages 15-18)

We recommended ALPLM improve its controls over property and equipment to comply with applicable laws and regulations. Specifically, we recommended the ALPLM implement procedures to ensure all equipment transactions are recorded timely and accurately, and documentation is retained. We further recommended ALPLM include a supervisory review process in its procedures to ensure clerical, technical, and other errors are promptly detected and corrected.

Agency officials agreed

Agency officials accepted our recommendation and stated the ALPLM is currently updating policies and procedures to ensure compliance with property control laws and regulations.

NONCOMPLIANCE WITH ALPLM COLLECTIONS POLICY

Noncompliance with the Museum Collections Policy

The Abraham Lincoln Presidential Library and Museum (ALPLM) did not comply with its Museum Collections Policy.

ALPLM allows loan of museum collections to enhance the mission of ALPLM to preserve the heritage of Illinois and educate the public. ALPLM had a total of 10 outgoing loans of Museum collections during Fiscal Years 2018 and 2019.

Collection loan did not have a written loan request

During our testing, we noted one of three (33%) Museum collection loans tested did not have a written loan request which should provide the following details: reason for the loan, exhibit details, proposed loan dates, proposed travel/shipping arrangements, insurance arrangements, and list of any other participating institutions. In addition, we also noted the borrower did not submit the required American Association of Museum Standard Facility Report. (Finding 2019-003, pages 19-20)

We recommended ALPLM comply with its policy regarding loans of museum collections.

Agency officials agreed

Agency officials accepted our recommendation and stated the ALPLM is working with appropriate staff to ensure its compliance for future loans.

OTHER FINDINGS

The remaining findings pertain to lack of controls over monthly reconciliations, employee evaluations, investment of public funds, contracts, cash on-hand, receivables, voucher processing, and locally held fund reporting, a lack of adequate Records Management Program, failure to develop a formal Fraud Risk Assessment Program, noncompliance with the Fiscal Control and Internal Auditing Act, and weaknesses with Payment Card Industry Data Security Standards. We will review the Agency's progress towards the implementation of our recommendations in our next compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the ALPLM for the two years ended June 30, 2019, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2019-001 through 2019-004. Except for the noncompliance described in these findings, the accountants stated the ALPLM complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by Adelfia LLC.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:sdw