



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**OFFICE OF THE ATTORNEY GENERAL**

Compliance Examination  
For the Two Years Ended June 30, 2020

Release Date: March 4, 2021

FINDINGS THIS AUDIT: 3	AGING SCHEDULE OF REPEATED FINDINGS			
	Repeated Since	Category 1	Category 2	Category 3
Category 1:	2018	20-1		
Category 2:				
Category 3:				
TOTAL				
FINDINGS LAST AUDIT: 1				

**SYNOPSIS**

- (20-1) The Office did not exercise adequate control over the recording and reporting of its State property and equipment.
- (20-2) The Office did not exercise adequate timekeeping controls over attendance for employees working remotely.

**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.

**OFFICE OF THE ATTORNEY GENERAL  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020**

EXPENDITURE STATISTICS	2020	2019	2018
<b>Total Expenditures.....</b>	<b>\$ 111,819,202</b>	<b>\$ 122,794,812</b>	<b>\$ 114,196,164</b>
OPERATIONS TOTAL.....	\$ 100,030,869	\$ 108,756,802	\$ 86,963,486
% of Total Expenditures.....	89.5%	88.6%	76.2%
Personal Services.....	53,351,449	49,397,356	47,318,923
Other Payroll Costs (FICA, Retirement).....	18,463,925	18,679,139	15,966,517
Interfund Cash Transfers.....	16,958,249	32,329,430	14,376,552
All Other Operating Expenditures.....	11,257,246	8,350,877	9,301,494
AWARDS AND GRANTS.....	\$ 11,787,398	\$ 14,030,696	\$ 27,230,033
% of Total Expenditures.....	10.5%	11.4%	23.8%
REFUNDS.....	\$ 935	\$ 7,314	\$ 2,645
% of Total Expenditures.....	0.0%	0.0%	0.0%
<b>Total Receipts.....</b>	<b>\$ 309,018,478</b>	<b>\$ 174,778,015</b>	<b>\$ 66,509,768</b>
<b>Average Number of Employees.....</b>	<b>767</b>	<b>736</b>	<b>732</b>

ATTORNEY GENERAL	
During Examination Period:	Honorable Lisa Madigan (Through 1/14/19) Honorable Kwame Raoul (As of 1/14/19)
Currently:	Honorable Kwame Raoul

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

### **INADEQUATE CONTROLS OVER PROPERTY AND EQUIPMENT**

The Office did not exercise adequate control over the recording and reporting of its State property and equipment.

Recording and reporting weaknesses were identified during testing of property and equipment items as follows:

- The Agency Report of State Property (C-15) form for the quarter ending September 30, 2018 overstated additions by \$515, misstated net transfers by \$26,300, and reported deletions as increase of \$11,657 rather than a decrease.
  - The C-15 for the quarters ended June 30, 2019 and June 30, 2020 overstated the year-end balance by \$9,240 and \$933,397, respectively.
  - The Schedule of Changes in Property reported adjustments totaling \$48,119 in Fiscal Year 2019 and \$9,915 in Fiscal Year 2020, representing unknown reconciling items between the C-15's and property records.
  - Ten of 40 (25%) additions tested totaling \$171,656 were added to the property records 5 to 57 days late.
  - Six of 40 (15%) items tested, totaling \$47,581, were removed from property records 9 to 57 days late.
  - Four of 40 (10%) items tested, totaling \$51,724, reported acquisition dates on Surplus Property Delivery Forms which were 2 to 45 months after the acquisition dates recorded in property records.
  - Three of 40 (8%) items could not be physically located.
  - One of 40 (3%) items was not tagged until 113 days after receipt.
  - The Office failed to adopt a formal policy for delineating categories of equipment subject to theft. Any items with a value of \$1,000 or less that could be considered subject to theft, such as portable electronic office equipment like laptops, were not identified, tagged or tracked. (Finding 1, pages 9-11)
- Report of State Property overstated 2020 year-end balance \$933,397**
- Property schedule reported unknown reconciling items totaling \$48,119 and \$9,915**
- Property additions and deletions were not timely recorded**
- Property under \$1,000 that could be subject to theft, like laptops, were not tagged or tracked**

We recommended the Office strengthen controls and procedures to ensure accurate C-15 reports, property records and schedules are prepared, property and equipment additions are appropriately tagged and timely recorded in property records, property items are timely removed from property records, and Surplus Property Delivery Forms are properly completed. We further recommend the Office adopt a formal policy for delineating categories of equipment considered to be subject to theft.

**Office accepts finding**

The Office accepted this finding and stated staff will work to strengthen internal controls to increase the accuracy of C-15 reports and property records, and ensure that all related equipment transactions occur in a timely manner. The Office further responded it will develop and implement a formal policy for delineating categories of equipment considered to be subject to theft.

**INADEQUATE CONTROLS OVER REMOTE EMPLOYEE ATTENDANCE**

The Office did not exercise adequate timekeeping controls over attendance for employees working remotely.

**Employees working off-site were not able or required to record hours worked**

Employees who worked off-site from March 16, 2020 through June 30, 2020 were unable to records hours worked in the system used for employee timekeeping, and the Office did not require any other method to keep records of hours worked. Management suspended timekeeping requirements for employees working off-site when the majority of employees worked remotely during this timeframe. During Fiscal Year 2020, the Office employed an average of 767 full-time employees. (Finding 2, pages 12-13)

We recommended the office ensure compliance with the State Officials and Employees Ethics Act by requiring and providing a mechanism for State employees working remotely to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour.

**Office accepts recommendation**

The Office accepted the recommendation and stated corrective action was implemented effective July 31, 2020.

**OTHER FINDING**

The remaining finding pertains to weaknesses in cybersecurity programs and practices. We will review the Office's progress towards the implementation of our recommendations in our next compliance examination.

**ACCOUNTANT'S OPINION**

The accountants conducted a compliance examination of the Office for the two years ended June 30, 2020, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2020-001. Except for the noncompliance described in this finding, the accountants stated the Agency complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by West & Company, LLC.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

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

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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