

**REPORT DIGEST**

**OFFICE OF THE COMPTROLLER  
FISCAL OFFICER RESPONSIBILITIES  
FINANCIAL AND COMPLIANCE AUDIT  
FOR THE YEAR ENDED JUNE 30, 1993**

{Expenditures and Activity Measures are summarized on the reverse page.}

STATE COMPTROLLER'S OFFICE  
AUDIT OF TRADITIONAL BUDGETARY FINANCIAL REPORT  
AT JUNE 30, 1993

The current State Comptroller is the Honorable Dawn Clark Netsch who was also the State Comptroller during the audit period.

<u>TRADITIONAL FUND GROUPS</u>	<u>NO. OF FUNDS</u>	<u>(In Thousands)</u>	
		<u>CASH BALANCES</u>	<u>BUDGETARY BALANCES</u>
<u>APPROPRIATED FUNDS -</u>			
General Funds	4	\$ 171,646	\$ - 630,492
Highway Funds	7	294,716	180,868
Income Funds	12	43,196	- 17,595
Special State Funds	210	749,792	150,131
Bond Financed Funds	8	149,284	147,764
Debt Service Funds	4	226,106	226,106
Federal Trust Funds	82	111,320	- 98,515
Revolving Funds	9	34,764	- 545
State Trust Funds	<u>25</u>	<u>99,571</u>	<u>45,699</u>
<u>SUB-TOTAL</u>	<u>361</u>	<u>\$1,880,395</u>	<u>\$ 3,421</u>
<u>NON-APPROPRIATED FUNDS -</u>			
Federal Trust Funds	17	\$ 8,598	\$ 6,848
State Trust Funds	<u>97</u>	<u>752,707</u>	<u>672,173</u>
<u>SUB-TOTAL</u>	<u>114</u>	<u>\$ 761,305</u>	<u>\$ 679,021</u>
<u>GRAND TOTAL-ALL FUNDS</u>	<u>475</u>	<u>\$2,641,700</u>	<u>\$ 682,442</u>

## **INTRODUCTION**

Our 1993 audit of the Comptroller's Fiscal Officer Responsibilities is presented in two parts. The compliance part, with our findings and recommendations, is presented in one document. The financial part, with our opinions on the financial statements, is presented in the State Comptroller's "Illinois Traditional Budgetary Financial Report."

## **COMPLIANCE AUDIT FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS**

### **NEED TO UPDATE STATE ACCOUNTING SYSTEM**

The Comptroller's Office needs to make significant upgrades to its current CUSAS (Comptroller's Uniform Statewide Accounting System) procedures to reduce inefficiencies. CUSAS was developed in 1974 and is in need of revision. Two examples of the inefficiencies we noted are the costs necessary to process additional expenditure documents. In one instance, multiple invoice-vouchers must be prepared and warrants processed when an expenditure relates to multiple appropriation line items. In the other instance, a warrantless process is not utilized to settle obligations between State agencies or to process agencies' transactions with various revolving funds. (Finding 1, page 9)

We recommended the Comptroller's Office upgrade CUSAS to eliminate the need for multiple invoice vouchers for certain expenditures and the need for warrants to settle obligations between State agencies.

Comptroller officials stated they agree with our recommendation. The Agency believes that correction of the inefficiencies noted, as well as many other CUSAS system limitations identified by the Agency, requires a major system redesign.

The Comptroller's officials also stated that if one compares the current 19 year-old CUSAS system with the best automated accounting systems being developed today, and with the technically advanced computer hardware on which these modern systems run, it becomes obvious that there are significant opportunities to increase efficiencies in processing, to increase access to important management information, and to increase the timeliness of financial reporting.

### **OTHER FINDING**

The remaining finding is less significant and deals with accounting changes to improve IRS 1099 reporting. The Comptroller's Office has agreed that separate account codes for certain transactions should be established as we recommended. We will review the Office's progress towards implementation of our recommendation in our next audit.

Mr. Ron Omer, Internal Auditor for the Comptroller's Office, provided the Agency responses to our findings and recommendations.

### **FINANCIAL AUDIT OPINIONS**

The traditional budgetary financial statements present fairly the fund balances and receipts and expenditures at June 30, 1993, relating to the Fiscal Officer Responsibilities of the Comptroller over the budgetary fund balances, budgetary receipts and expenditures, and changes in budgetary fund balances.

In addition, the Comptroller has issued a separate comprehensive annual financial report which has additional details on the financial activities of State agencies and funds.

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WILLIAM G. HOLLAND, Auditor General

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### **SUMMARY OF AUDIT FINDINGS**

<u>Number of This Audit</u>	<u>Prior Audit</u>
Audit findings	23
Repeated audit findings	12
Prior recommendations implemented or not repeated	22

### **SPECIAL ASSISTANT AUDITORS**

Coopers & Lybrand were our special assistant auditors assigned to the audit.