



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS EMERGENCY MANAGEMENT AGENCY

Compliance Examination
 For the Two Years Ended June 30, 2015

Release Date: January 28, 2016

FINDINGS THIS AUDIT: 9	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2013		15-2, 15-3	
Category 2:	1	8	9	2011		15-7, 15-8	
Category 3:	0	0	0	2009		15-4, 15-6, 15-9	
TOTAL	1	8	9	2005		15-1	
FINDINGS LAST AUDIT: 10							

SYNOPSIS

- (15-1) The Agency performed untimely reconciliations of Agency records to the Office of the State Comptroller records.
- (15-2) The Agency failed to comply with the Radiation Protection Act of 1990.
- (15-7) The Agency's internal auditing program was not in compliance with the Fiscal Control and Internal Auditing Act (FCIAA).

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.

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

**ILLINOIS EMERGENCY MANAGEMENT AGENCY
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2015**

EXPENDITURE STATISTICS	FY 2015	FY 2014	FY 2013
Total Expenditures.....	\$ 174,019,378	\$ 162,384,553	\$ 211,451,765
OPERATIONS TOTAL.....	\$ 152,494,214	\$ 124,953,812	\$ 202,571,784
% of Total Expenditures.....	87.6%	76.9%	95.8%
Personal Services.....	13,630,996	13,785,647	13,750,134
Other Payroll Costs (FICA, Retirement).....	8,178,023	8,299,604	8,910,358
Contractual Services.....	3,418,068	3,412,596	3,366,785
All Other Operating Expenditures.....	127,267,127	99,455,965	176,544,507
GRANTS AND REFUNDS.....	\$ 21,525,164	\$ 37,430,741	\$ 8,879,498
% of Total Expenditures.....	12.4%	23.1%	4.2%
NON-APPROPRIATED FUNDS.....	\$ -	\$ -	\$ 483
% of Total Expenditures.....	0.0%	0.0%	0.0%
Total Receipts.....	\$ 172,321,695	\$ 163,639,184	\$ 203,439,333
Average Number of Employees (Not Examined).....	204	211	219

SELECTED ACTIVITY MEASURES	FY 2015	FY 2014	FY 2013
Cost of Property and Equipment	\$ 48,955,000	\$ 50,020,000	\$ 50,299,000

AGENCY DIRECTOR	
During Examination Period:	Mr. Jonathon Monken (Through 1/16/15) Mr. Joseph Klinger (Acting) (1/17/15 to 2/1/15) Mr. James K. Joseph (2/2/15 to Present)
Currently:	Mr. James K. Joseph

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**UNTIMELY RECONCILIATION OF AGENCY
RECORDS TO THE STATE COMPTROLLER'S
MONTHLY REPORTS**

Failure to reconcile records timely

The Illinois Emergency Management Agency (Agency) did not perform timely reconciliations of their records to the Office of the State Comptroller (Comptroller) records. The auditors noted the following reconciliations were not performed timely:

**Cash receipts records not reconciled
timely during FY2014 and FY2015**

- During FY 2014, the reconciliation between cash receipts collected by the Agency and the Comptroller's Monthly Revenue Report for 15 funds were performed by the Agency 1 to 34 days late. During FY 2015, the reconciliations for 15 funds were performed by the Agency 1 to 120 days late. In addition, the reconciliations for two funds had reconciling items outstanding for more than 360 days. The amounts ranged from \$750 to \$68,125.

**Reconciling items between \$750 and
\$68,125 were outstanding more than
360 days**

**Cash balance records not reconciled
timely during FY2014 and FY2015**

- During FY 2014, the reconciliation between the Agency's cash balance and the Comptroller's Monthly Cash Report for 14 funds were performed by the Agency 1 to 67 days late. During FY 2015, the reconciliations for 14 funds were performed by the Agency 1 to 123 days late. There was one reconciliation in FY 2015 that was not dated, thus timeliness of the reconciliation could not be determined. In addition, the reconciliations for 3 funds in FY 2014 and 4 funds in FY 2015 had reconciling items outstanding for more than 360 days. The amounts ranged from \$5 to \$13,486. (Finding 1, pages 10-11) **This finding has been repeated since 2005.**

**Reconciling items between \$5 and
\$13,486 were outstanding more than
360 days**

We recommended the Agency comply with the Comptroller procedures and perform monthly reconciliations in a timely manner.

Agency agrees with auditors

Agency management accepted our recommendation and stated they will continue to strive to complete required reconciliations within 30 days and will prioritize reconciliation of those funds with the highest dollar amounts and most significant activity so the funds carrying the greatest risk of including reconciling errors and other issues are addressed first. *(For the previous Agency response, see Digest Footnote #1.)*

NONCOMPLIANCE WITH THE RADIATION PROTECTION ACT OF 1990

All Board positions expired as of June 30, 2015

The Agency did not comply with the Radiation Protection Act of 1990, as the appointment terms for all 13 members of the Radiologic Technologist Accreditation Advisory Board (Board) had expired as of June 30, 2015. In addition, the Agency could not provide documentation that it informed the Governor's Office of the expired appointment terms. (Finding 2, page 12)

We recommended the Agency comply with the Radiation Protection Act of 1990 by working with the Governor's Office to replace board members as necessary. We also recommended that the Board monitor members' appointment dates to determine when reappointment or replacement is necessary.

Agency agrees with auditors

Agency management accepted our recommendation and stated that they will continue to work with the Governor's Office to identify individuals willing and qualified to serve on the Board and to track appointment dates.

NONCOMPLIANCE WITH THE FISCAL CONTROL AND INTERNAL AUDITING ACT

The Agency did not ensure that its internal auditing program fully complied with the Fiscal Control and Internal Auditing Act (FCIAA).

During our review of the internal audit function at the Agency for FY 2014 and FY 2015, we noted the following:

Internal audit plans not fully implemented

No audits relating to obligation, expenditure and use of public funds

Documentation of pre-implementation review not provided

FY2015 audit plan approved 190 days late

FY2014 internal audit report submitted 126 days late

- Internal audit plans were not fully implemented. Out of the 21 planned audits, only seven were completed during FY 2014 and FY 2015. In addition, no audits relating to the obligation, expenditure and use of public funds of the Agency were completed during the last two years. Specifically, an audit of the procurement and contract monitoring process was not completed until August 2015.
- The Agency was unable to provide documentation that it performed a pre-implementation review of the Request to Purchase System (RTP), a major electronic data system recently implemented by the Agency.
- The two-year audit plan for FY 2015 was approved by the Agency's Director 190 days after the beginning of the fiscal year.
- The annual internal audit report for FY 2014 was submitted to the Agency's Director 126 days late. (Finding 7, pages 23-24) **This finding has been repeated since 2011.**

We recommended the Agency complete internal audits of its major systems of internal accounting and administrative controls and submit internal audit plans and reports as required by the FCIAA.

Agency agrees with auditors

Agency management accepted our recommendation and stated a new Chief Internal Auditor was appointed in December, 2014 and the Agency believes filling this vacancy will address the weaknesses noted regarding noncompliance with the FCIAA. (*For the previous Agency response, see Digest Footnote #2.*)

OTHER FINDINGS

The remaining findings are reportedly being given attention by the Agency. We will review the Agency's progress towards the implementation of our recommendations in our next engagement.

ACCOUNTANT'S OPINION

We conducted a compliance examination of the Agency, for the two years ended June 30, 2015, as required by the Illinois State Auditing Act. The accountants stated the Agency complied, in all material respects, with the requirements described in the report.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:APA

SPECIAL ASSISTANT AUDITORS

E.C. Ortiz & Co., LLP were our special assistant auditors for this examination.

DIGEST FOOTNOTES

#1 – UNTIMELY RECONCILIATION OF AGENCY RECORDS TO THE STATE COMPTROLLER'S MONTHLY REPORTS

2013: “The Agency agrees with the finding. The Agency was able to make great strides from FY 2012 to FY 2013 in getting reconciliations completed in a timely manner. However, we recognize there are still times when reconciliations are not completed as quickly as we would like due to competing priorities for staff time. We continue to strive to meet the 30 day deadline.”

#2 – NONCOMPLIANCE WITH THE FISCAL CONTROL AND INTERNAL AUDITING ACT

2013: “The Agency agrees with the finding. The Agency was without a Chief Internal Auditor for 7 months of the compliance period but it strives to meet all requirements of the Act.”