

**STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2010

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COMPLIANCE EXAMINATION
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STATE OF ILLINOIS
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AGENCY OFFICIALS

State Fire Marshal (January 4, 2010 – present)	Mr. Larry Matkaitis
Acting State Fire Marshal (September 1, 2009 – January 3, 2010)	Mr. Dave DeFraties
State Fire Marshal (June 1, 2008 – August 31, 2009)	Mr. David Foreman
Deputy Director (June 1, 2008 – present)	Mr. Joseph August
Chief of Staff (June 1, 2010 – present)	Mr. Ted Berger
Chief of Staff (April 16, 2010 – May 31, 2010)	Vacant
Chief of Staff (January 4, 2010 – April 15, 2010)	Mr. Dave DeFraties
Acting Chief of Staff (September 1, 2009 – January 4, 2010)	Ms. Jodi Schrage
Chief of Staff (June 1, 2008 – August 31, 2009)	Mr. Dave DeFraties
Fiscal Officer (January 16, 2009 – present)	Mr. Ronny Wickenhauser
Acting Fiscal Officer (August 22, 2008 – January 15, 2009)	Mr. Marty Paul
Fiscal Officer (June 1, 2008 – August 21, 2008)	Ms. Madeline Gumble
General Counsel (April 1, 2010 – present)	Vacant
General Counsel (June 1, 2008 – March 31, 2010)	Mr. John Fennell

Agency offices are located at:

1035 Stevenson Drive
Springfield, Illinois 62703

JRTC, 100 W. Randolph
Suite 4-600
Chicago, Illinois 60601

2309 W. Main
Marion, Illinois 62959



Office of the State Fire Marshal

MANAGEMENT ASSERTION LETTER

June 30, 2011

Honorable William G. Holland
Auditor General
Iles Park Plaza
740 East Ash Street
Springfield, IL 62703

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Office of the State Fire Marshal (Office). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Office's compliance with the following assertions during the two-year period ended June 30, 2010. Based on this evaluation, we assert that during the years ended June 30, 2009 and June 30, 2010, the Office has materially complied with the assertions below.

- A. The Office has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Office has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Office has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Office are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

- E. Money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the Office have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Office of the State Fire Marshal



Larry Matkatis, State Fire Marshal



Ronny Wickenhauser, Chief Fiscal Officer

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
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For the Two Years Ended June 30, 2010

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANTS' REPORTS

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	22	29
Repeated findings	15	17
Prior recommendations implemented or not repeated	14	10

Details of findings are presented in a separate section of this report.

SCHEDULE OF FINDINGS

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
10-1	11	<u>Appropriations and Accounting</u> Inappropriate use of appropriated funds	Significant Deficiency and Noncompliance
10-2	12	Noncompliance with the Illinois Vehicle Code	Significant Deficiency and Noncompliance
10-3	14	<u>Agency Reporting Functions</u> TA-2 reports not filed	Significant Deficiency and Noncompliance

10-4	15	Noncompliance with the Fiscal Control and Internal Auditing Act	Significant Deficiency and Noncompliance
		<u>Personal Services</u>	
10-5	17	Economic Interest Statements not filed	Significant Deficiency and Noncompliance
10-6	18	Performance evaluations not completed timely	Significant Deficiency and Noncompliance
10-7	19	Lack of controls over employee time	Significant Deficiency and Noncompliance
		<u>Agency Policies and Procedures</u>	
10-8	25	Outdated policy and procedure manual	Significant Deficiency and Noncompliance
		<u>Expenditures, Revenues, and Property Control</u>	
10-9	27	Voucher processing weaknesses	Significant Deficiency and Noncompliance
10-10	30	Inadequate collection and reporting of accounts receivable	Significant Deficiency and Noncompliance
10-11	32	Inadequate control over the purchase, recording and reporting of State property	Significant Deficiency and Noncompliance
		<u>Statutory Mandates</u>	
10-12	36	Noncompliance with the Petroleum Equipment Contractors Licensing Act	Significant Deficiency and Noncompliance
10-13	39	Failure to exercise adequate control over applications for boiler and pressure vessel repair licensure	Significant Deficiency and Noncompliance
10-14	41	Inspections of boilers and pressure vessels not performed timely	Significant Deficiency and Noncompliance
10-15	42	Failure to timely reimburse for firefighter training	Significant Deficiency and Noncompliance
10-16	43	Board not fully seated	Significant Deficiency and Noncompliance
10-17	44	Failure to maintain administrative panel	Significant Deficiency and Noncompliance

10-18	46	Noncompliance with the Pyrotechnic Distributor and Operator Licensing Act	Significant Deficiency and Noncompliance
10-19	47	Noncompliance with the Fire Protection District Act	Significant Deficiency and Noncompliance
10-20	48	Failure to adopt new elevator standards timely	Significant Deficiency and Noncompliance
10-21	50	Noncompliance with the Elevator Safety and Regulation Act	Significant Deficiency and Noncompliance
10-22	52	Failure to distribute arson fines	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

A	54	Lack of controls over Firefighters Memorial Fund distributions
B	54	Inadequate controls over contractual agreements
C	54	Inaccurate accounting records
D	55	Failure to perform monthly revenues reconciliations
E	55	Inaccurate Fee Imposition Report
F	55	Lack of disaster contingency planning or testing to ensure the recovery of computer systems
G	55	Lack of computer security policies
H	56	Noncompliance with the Fire Sprinkler Contractor Licensing Act
I	56	Rules not established for the administration of the Fire Sprinkler Dormitory Revolving Loan Program
J	56	Lack of rules for the administration and enforcement of elevator installation standards
K	56	Noncompliance with the Elevator Safety and Regulation Act
L	57	Lack of appointed members on the State Fire Marshal's Elevator Safety Board

- | | | |
|---|----|--|
| M | 57 | Failure to implement changes to the Fire Equipment Exchange Program timely |
| N | 57 | Noncompliance with the Pyrotechnic Distributor and Operator Licensing Act |

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on June 21, 2011. Attending were:

Office of the Auditor General
Courtney Dzierwa, Audit Manager
Meredith Dean, Audit Supervisor
Stacie Amling, State Auditor

Office of the State Fire Marshal
William Barnes, General Counsel
Ted Berger, Chief of Staff
Jim Watts, Senior Policy Advisor
Ronny Wickenhauser, Chief Fiscal Officer
Jeff Anderson, Chief Internal Auditor

Responses to the recommendations were provided by Mr. Larry Matkaitis in correspondence dated June 30, 2011.

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



CHICAGO OFFICE:
MICHAEL A. BILANDIC BLDG. • SUITE S-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Office of the State Fire Marshal's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2010. The management of the State of Illinois, Office of the State Fire Marshal is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Office of the State Fire Marshal's compliance based on our examination.

- A. The State of Illinois, Office of the State Fire Marshal has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Office of the State Fire Marshal has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Office of the State Fire Marshal has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Office of the State Fire Marshal are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Office of the State Fire Marshal on behalf of the State or held in trust by the State of Illinois, Office of the State Fire Marshal have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Office of the State Fire Marshal's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Office of the State Fire Marshal's compliance with specified requirements.

In our opinion, the State of Illinois, Office of the State Fire Marshal complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2010. However, the results of our procedures disclosed instances of noncompliance, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as findings 10-1, 10-2, 10-3, 10-4, 10-5, 10-6, 10-7, 10-8, 10-9, 10-10, 10-11, 10-12, 10-13, 10-14, 10-15, 10-16, 10-17, 10-18, 10-19, 10-20, 10-21, and 10-22.

Internal Control

The management of the State of Illinois, Office of the State Fire Marshal is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Office of the State Fire Marshal's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Office of the State Fire Marshal's internal control over compliance.

A *deficiency* in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material

weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying schedule of findings as findings 10-1, 10-2, 10-3, 10-4, 10-5, 10-6, 10-7, 10-8, 10-9, 10-10, 10-11, 10-12, 10-13, 10-14, 10-15, 10-16, 10-17, 10-18, 10-19, 10-20, 10-21, and 10-22. A *significant deficiency over compliance* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter.

The State of Illinois, Office of the State Fire Marshal's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois, Office of the State Fire Marshal's responses and, accordingly, we express no opinion on them.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2009 and 2010 Supplementary Information for State Compliance Purposes, except for information on Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2008 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, and is not intended to be and should not be used by anyone other than these specified parties.



Bruce L. Bullard, CPA
Director of Financial and Compliance Audits

June 30, 2011

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2010

10-1. **FINDING** (Inappropriate use of appropriated funds)

The Office of the State Fire Marshal (Office) improperly used funds appropriated by the General Assembly.

During Fiscal Year 2009, the Office received a lump sum appropriation from the Fire Prevention Fund (Fund 047) of \$450,000 for administrative expenses of the Elevator and Safety Regulation Act. However, we noted the Office processed 6 vouchers, totaling \$858, during Fiscal Year 2009 from this appropriation for refunds of overpayments received by the Office. In addition, we noted the Office processed 1 voucher, totaling \$203, for expenses related to the Office's new fire chief training program from this appropriation. The Office has appropriation line items specifically for refunds in both the Fund 047 and the Underground Storage Tank Fund (Fund 072), as well as an appropriation specifically for expenses related to the training of new fire chiefs.

Public Act 95-0731 (Appropriation Act) designated the expenditure authority from which the Office was authorized to expend its Fiscal Year 2009 appropriation. The Appropriation Act specifically states that the lump sum appropriation line is to be used for administrative expenses of the Elevator and Safety Regulation Act.

Office personnel stated they used the Elevator Safety and Regulation Act appropriation because the proper appropriations for these expenditures had been largely depleted.

Appropriations made by the General Assembly specify the purposes for which the public funds of the State may be expended. Expending money for costs other than those designated by the Appropriation Act is a violation of the appropriation process and limits legislative control. (Finding Code No. 10-1, 08-3)

RECOMMENDATION

We recommend the Office limit expenditures from appropriated line items to the purpose for which they are appropriated. In addition, we recommend the Office utilize the appropriation transfer process or request supplemental appropriations when appropriations are insufficient to cover expenses incurred during the fiscal year.

OFFICE RESPONSE

The Office agrees. It should be noted that this condition was not found in Fiscal Year 2010.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2010

10-2. **FINDING** (Noncompliance with the Illinois Vehicle Code)

The Office of the State Fire Marshal (Office) improperly used funds in violation of the Illinois Vehicle Code (Code) (625 ILCS 5/3-634).

The Office received a lump sum appropriation from the Illinois Firefighters Memorial Fund (Fund 510) totaling \$185,000 for Fiscal Year 2009. As explained in the Code (625 ILCS 5/3-634), Fund 510 is to be used for expenses associated with the maintenance and upkeep of the Illinois Firefighters' Memorial, the annual medal of honor ceremony, scholarships for children and spouses of firefighters killed in the line of duty, and upkeep of the Illinois Firefighters' Museum (Museum), located on the grounds of the Illinois State Fairgrounds. The Code (625 ILCS 5/3-634(e)) further stipulates that no more than 10% of the annual proceeds received in Fund 510 shall be used for expenses associated with the Museum.

We noted the Office charged expenditures totaling \$184,526 against its appropriation from Fund 510 during Fiscal Year 2009, including expenditures totaling \$56,290 for the Museum. However, the annual proceeds received in Fund 510 from the issuance of license plates during the preceding fiscal year only totaled \$418,347. Accordingly, the Office should have limited their expenditures from this appropriation for the upkeep of the Museum during Fiscal Year 2009 to \$41,835. In conclusion, the actual expenditures charged to this appropriation for the Museum exceeded the statutorily imposed cap for expenditures on the Museum by \$14,455.

Office personnel stated \$50,000 of the expenditures from Fund 510 during Fiscal Year 2009 were for necessary repairs to the roof of the Museum to prevent further damage to the contents of the museum. Office personnel also stated they included \$105,505 received into Fund 510 during Fiscal Year 2009 in their computation of the statutorily imposed cap. The \$105,505 in additional money received into Fund 510 during Fiscal Year 2008 consisted of unused monies returned by the Illinois Firefighters Memorial Foundation pursuant to a previous audit finding. However, the auditors concluded this money does not constitute proceeds received into Fund 510, as it is money that belonged in Fund 510 from preceding fiscal years.

Failure to adhere to the statutorily imposed cap for expenditures on the Museum reduces the amount of money available in Fund 510 for other statutorily authorized purposes and is noncompliance with the Code. (Finding Code No. 10-2)

STATE OF ILLINOIS
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For the Two Years Ended June 30, 2010

RECOMMENDATION

We recommend the Office evaluate all proposed expenditures and repair projects for the Museum before they are initiated to ensure the statutorily imposed cap is not exceeded, or seek legislative remedy to the statutorily imposed cap.

OFFICE RESPONSE

The Office agrees that the statutory cap for expenditures on the Museum was exceeded, but the Office was put in a difficult position in Fiscal Year 2009 when the roof at the Illinois State Fire Museum needed replaced on an emergency basis. There were few options available to pay for this needed repair. It should be noted that the expenditure of funds for the roof is within the intent of the law. No funds were misspent. Secondly, the Office would like to note that it has used little of the allowable amount available to be spent on the museum in recent history. In Fiscal Year 2008 the Office only spent 31% of the allowable amount and in Fiscal Year 2010 only spent 23% of the allowable amount. If a similar situation arises in the future, the Office will seek other solutions that will enable it to remain within the 10% cap on Museum expenditures. We do feel the 2008 and 2010 figures should be reflected in the audit report. We feel the current way the finding reads insinuates that we spent our full budget for the other years and overspent for FY 09 which is not the case.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
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For the Two Years Ended June 30, 2010

10-3. **FINDING** (TA-2 reports not filed)

The Office of the State Fire Marshal (Office) did not file Travel Headquarters Reports (Form TA-2) as required by the State Finance Act.

During our testing, we noted the Office did not file three of four (75%) TA-2 reports required to be filed with the Legislative Audit Commission. One of two TA-2 reports was not filed for FY09 and neither of the TA-2 reports were filed for FY10.

The State Finance Act (30 ILCS 105/12-3) requires each State agency to file reports for all of its officers and employees for whom official headquarters have been designated at any location other than that at which their official duties require them to spend the largest part of their working time. Such reports shall be filed with the Legislative Audit Commission each January 15 and July 15. Agencies with no officers or employees in this status shall file a negative report.

Office personnel stated the TA-2 reports were not filed due to a misunderstanding between the Office and the Public Safety Shared Services Center as to who would prepare and file the TA-2 reports.

Failure to prepare and file TA-2 reports is noncompliance with State statute and results in an inability to determine if the agency has employees whose primary work place is different from their headquarters. (Finding Code No. 10-3, 08-8, 06-14)

During the previous examination, the auditors noted the Office did not exercise adequate internal controls over travel vouchers. More specifically, the auditors noted duplicate payments, a lack of supporting documentation, excess mileage reimbursement claims, and incomplete travel vouchers. During the current examination, the auditors did not note any such problems during our sample testing.

RECOMMENDATION

We recommend the Office prepare and file the required TA-2 reports according to statute.

OFFICE RESPONSE

Agreed. The Office filed the required TA-2 report due on July 15, 2010, on July 14, 2010. Reports will continue to be filed per the State Finance Act and will be the responsibility of the agency Chief Fiscal Officer.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
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For the Two Years Ended June 30, 2010

10-4. **FINDING** (Noncompliance with the Fiscal Control and Internal Auditing Act)

The Office of the State Fire Marshal (Office) did not file its Fiscal Control and Internal Auditing Act certification in a timely manner, nor did it maintain documentation to support its evaluation of internal controls.

The Office did not file its Fiscal Control and Internal Auditing Act certification (FCIAA) for Fiscal Year 2010 in a timely manner. The report was due on May 1, 2010 and was filed on July 28, 2010, which is 77 days late. In addition, the Office filed its Fiscal Year 2009 certification in a timely manner; however, the Office was unable to provide the auditors with documented evidence of their evaluation of internal controls.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3003) requires the Chief Executive Officer of each State agency to conduct an evaluation of their systems of internal fiscal and administrative controls and to file a certification regarding the evaluation with the Auditor General by May 1 of each year. In addition, the State Records Act (5 ILCS 160/9) requires the Office to establish and maintain a program for the efficient management of the records of the agency, including controls over the creation, maintenance, and use of records. Further, good business practices would require the Office to maintain the necessary documentation to support that an adequate evaluation of internal controls was performed.

Office personnel stated the supporting documentation for the Fiscal Year 2009 certification was prepared but lost due to turnover within the Office. Office personnel also stated the Fiscal Year 2010 certification was prepared late due to oversight.

Timely evaluations of internal controls are necessary to determine whether existing controls are adequate to prevent or detect potential risks. Failure to maintain the necessary documentation to support the evaluation of internal controls is noncompliance with the State Records Act. (Finding Code No. 10-4)

RECOMMENDATION

We recommend the Office comply with the requirements of the Fiscal Control and Internal Auditing Act by documenting its review of internal controls and filing the required reports in a timely manner.

STATE OF ILLINOIS
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OFFICE RESPONSE

Agreed. The Office of the State Fire Marshal's Internal Audit staff is now responsible for assuring the OSFM complies with the Fiscal Control and Internal Auditing Act.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2010

10-5. **FINDING** (Economic Interest Statements not filed)

The Office of the State Fire Marshal (Office) did not notify the Secretary of State of all employees whose positions required them to file an economic interest statement.

We noted two employees, the Chief Fiscal Officer and one Public Service Administrator who oversees contracts for the agency, were omitted from the list of employees required to file statements of economic interest. As a result, these employees did not file the economic interest statements due May 1, 2009 and May 1, 2010.

The Illinois Governmental Ethics Act (5 ILCS 420/4A-101(f)(2)) requires persons who have direct supervisory authority over, or direct responsibility for the formulation, negotiation, issuance or execution of contracts entered into by the State in the amount of \$5,000 or more to file verified written statements of economic interests by May 1st of each year. Also, the State Officials and Employee Ethics Act (5 ILCS 430/20-23) requires the ethics officer to review statements of economic interest and disclosure forms of officers, senior employees, and contract monitors before they are filed with the Secretary of State.

Office personnel stated these persons were omitted from the list of persons required to file due to turnover in the position responsible for maintaining the list.

Failure to file and review economic interest statements could lead to employees making decisions in which they should have been disqualified due to a conflict of interest. (Finding Code No. 10-5)

RECOMMENDATION

We recommend the Office periodically review job duties and personnel transactions to ensure all personnel in qualifying positions are reported to the Secretary of State and subsequently file statements of economic interests.

OFFICE RESPONSE

Agreed. The Office has reviewed and notified the Secretary of State of all employees whose position requires them to file an economic interest statement.

STATE OF ILLINOIS
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10-6. **FINDING** (Performance evaluations not completed timely)

The Office of the State Fire Marshal (Office) did not conduct employee performance evaluations timely.

We tested 25 employees and noted 6 evaluations for 4 (16%) different employees were conducted 39 to 308 days late. In addition, 1 annual performance evaluation for 1 employee (4%) was not completed at all.

Personnel rules (80 Ill. Adm. Code 302.270) require the Office to prepare an evaluation on employees not less often than annually.

Office personnel stated the evaluations were performed late or not performed at all due to oversight and competing priorities for the responsible managers.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. (Finding Code No. 10-6, 08-11, 06-6)

RECOMMENDATION

We recommend the Office take appropriate measures to ensure annual performance evaluations are conducted timely and documented for all employees as required.

OFFICE RESPONSE

Agreed. Shared Services now notifies managers of upcoming evaluation due dates so evaluations are completed in a timely manner. Managers continue to be reminded of the importance of completing evaluations in a timely manner. The Office works with the Public Safety Shared Services Center on this process. Reminder emails are sent to managers 90 days before evaluations are due.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2010

10-7. **FINDING** (Lack of controls over employee time)

The Office of the State Fire Marshal (Office) did not exercise adequate control over employees' accrual and use of employee leave time.

Office employees earned either compensatory time or equivalent earned time (EET) for overtime worked during the examination period. Employees earned holiday time for working on State holidays. We tested EET time records for six of 22 employees allowed EET time and noted the following:

- Four of 6 (67%) employees tested did not obtain and document advance approval to work additional hours and accrue EET. We noted 40 instances, totaling over 144 hours, where these employees did not obtain and document advance approval received from their supervisor before working additional hours and accruing EET that was posted to CTAS. We also noted 31 instances, totaling over 33 hours, where these employees recorded additional time worked on their time sheet, yet no EET was posted to CTAS in these instances. Office personnel stated the instances where no EET was posted to CTAS were instances where the employees worked the additional hours with no expectation of earning EET, and that time reported in those cases served to inform their supervisors of their additional efforts.
- One of 6 (17%) employees tested did not take a lunch break. In each of the 8 instances noted for this employee, the employee used the lunch period to shorten their work day. The Office's Policies and Procedure Manual (Manual) states work schedules shall provide for the work day to be broken at approximately mid-point for the purpose of a lunch period of not less than 30 minutes and no more than 1 hour. Further, the Manual states that the lunch period shall not be used to adjust starting or quitting times.
- One of 6 (17%) employees tested works a flexible schedule which allows him to work 7.5 hours each day. We noted 24 instances where the employee worked less than the required 7.5 hours. However, this employee did work or use benefit time to fulfill the 37.5 hour work week commitment in each of the weeks tested in our sample.
- The Office could not locate one monthly time sheet for one of its employees and one weekly timesheet for one of its employees.

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We also tested compensatory time records for 20 of 80 employees allowed compensatory time and noted the following:

- Five of 20 (25%) employees tested accrued compensatory time in CTAS for time which was not worked by the employees, resulting in the accrual of 4 hours of compensatory time for time not worked.
- Fourteen of 20 (70%) employees tested did not obtain and document advance approval to work additional hours and accrue compensatory time. We noted 210 instances, totaling over 571 hours, where these employees did not obtain and document advance approval received from their supervisor before working additional hours and accruing compensatory time that was posted to CTAS. We also noted 68 instances, totaling over 180 hours, where these employees recorded additional time worked on their time sheet, yet no compensatory time was posted to CTAS in these instances. Office personnel stated the instances where no compensatory time was posted to CTAS were instances where the employees worked the additional hours with no expectation of earning compensatory time, and that time reported in those cases served to inform their supervisors of their additional efforts.
- Compensatory time earned for 5 of 20 (25%) employees tested was not recorded properly in the CTAS for 34 instances. In these instances, compensatory time earned was posted to the employees' respective time sheets by the employees, but CTAS records indicated different amounts of compensatory time earned. As a result, CTAS differed from employee time sheets by over 135 hours.
- The Office could not locate one weekly timesheet for one of its employees.

Additionally, we tested 25 Office employees' timesheets and accrual and usage of leave time for 4 months. We noted the following:

- Eighteen of 25 (72%) employees tested submitted a combined total of 61 timesheets which were not signed by the employee or their supervisor. The Manual states that at the end of each week the employee must sign the timesheet where indicated and submit it to their supervisor.

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- Four of 25 (16%) employees tested did not take a lunch break. In each of the 7 instances noted, employees used the lunch period to shorten their work day. The Manual states work schedules shall provide for the work day to be broken at approximately mid-point for the purpose of a lunch period of not less than 30 minutes and no more than 1 hour. Further, the Manual states that the lunch period shall not be used to adjust starting or quitting times.

The majority of the exceptions noted in this finding pertain to timesheets and time transactions which occurred during Fiscal Year 2009.

The Department of Central Management Services Personnel Rules (Personnel Rules) (80 Ill. Adm. Code 310.100) states employees who are eligible for equivalent earned time shall request that time before working in excess of the hours per week indicated in the approved work schedule assigned to the employee. The Personnel Rules also state equivalent earned time will accrue in no less than one-half hour increments.

Good internal controls require employees to keep accurate records of overtime hours worked as support for reported EET and compensatory hours. The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall prevent fraud, waste, and abuse and to maintain accountability over the State's resources. The Illinois State Records Act (5 ILCS 160/9) requires the head of each agency to establish and maintain an active, continuing program for the economical and efficient management of the records of the agency.

Office personnel stated that in many of the instances cited, employees had received verbal approval from their supervisors before working overtime. Office personnel also stated employees were permitted to work through their lunch hour at times when work loads demanded the additional effort. Office personnel indicated timesheets were not signed by employees in all instances because employees occasionally emailed their timesheets to their supervisors for approval.

Failure to properly prepare, timely approve, and maintain accurate attendance records increases the risk of the Office allowing time off or paying for services not rendered by employees. (Finding Code No. 10-7, 08-12, 06-5)

RECOMMENDATION

We recommend the Office remind employees of EET and compensatory time accrual and usage policies to ensure employees are accurately recording their accrual and usage of overtime. In addition, we recommend the Office remind all supervisors of the

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importance and necessity of reviewing and approving time sheets to ensure all transactions are recorded properly in CTAS. We further recommend the Office establish effective controls over the creation, maintenance, and use of attendance and leave time records in the conduct of current business.

OFFICE RESPONSE

We agree with the recommendation and are taking steps to resolve issues noted, however we are not in total agreement with all the individual exceptions noted. Details are as follows:

EET Time Schedule:

Bullet 1 – We agree there was no documented preauthorization for the EET, however we believe employees did get permission to work the EET in advance. The second part of the bullet point relates to time reflected on the timesheet as earned but not posted to CTAS. We do not feel this is a problem. Employees will on occasion work some extra time they do not charge to the State.

Bullet 3 – The employee in question was responsible for working extended hours while representing the Agency at various public hearings and other commitments; the employee's schedule was dynamic due to these commitments and special permission was granted to meet these obligations. During this time the employee's supervisor and Agency ethics officer authorized a flexible schedule and timekeeping based on a 37.5 hour work week. When the employee was granted permission to utilize benefit time, the employee submitted time off requests reflecting the appropriate amount of EET. The time off was reflected at the end of the work week in order to accurately fulfill the 37.5 hour commitment.

Examples of this schedule would include the week of 9/15/08 through 9/19/08 which shows the employee taking 2.25 hours on Friday. This time-off made up the difference between the hours the employee worked Monday through Thursday to come up with the 37.5 hours. Another example would be the week of 9/1/08 through 9/5/08 in which the employee took 3.75 hours "Other Paid Leave" after working 6.5 hours for a total of 10.25

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hours on Friday. Friday's total plus the hours worked Monday through Thursday totaled the 37.5 hours.

This employee, due to his assigned duties, was required to attend/participate in various public meetings, hearings, legislative committees, etc and was exposed to EET. This schedule was done in an effort to control unnecessary EET.

Bullet 4 – We agree we were unable to find 2 timesheets.

Comp Time Schedules:

Bullet 1 – Agreed, in these cases either the employee made a mistake on their timesheet or the person posting to CTAS enter the information incorrectly.

Bullet 2 – We agree there was no documented preauthorization for the Comp Time, however we believe employees did get permission to work the Comp Time in advance. The second part of the bullet point relates to time reflected on the timesheet as earned but not posted to CTAS. We do not feel this is a problem. Employees will on occasion work some extra time they do not charge to the State.

Bullet 3 – For the cases in which time recorded exceeded amount on timesheet, they were covered in bullet 1. The other cases where the amount on the timesheet exceeded CTAS reflect employees working time on their own. We do not see that as an exception.

Bullet 4 – We agree we could not find one timesheet.

AUDITOR'S COMMENT

The auditors concluded the timekeeping environment and system that was in place for a majority of the examination period contained a number of weaknesses. Generally, employees filled out a spreadsheet to report their time worked on official State business. This spreadsheet, however, did not consistently contain the proper formulas, as we noted differences in the spreadsheet's content between employees tested in our sample. In addition, the spreadsheet, as a default, computed any hours worked beyond the requisite work hours in a day to be EET or Comp Time earned, and the column on the spreadsheet was labeled as such. The spreadsheets were then signed by the employees' superiors,

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except in those cases noted above in the finding where approvals were missing, indicating an understanding and acknowledgement that EET or Comp Time had been earned by that employee for those instances. The spreadsheets were then used by the timekeepers to input data into the Central Time and Attendance System (CTAS). The fact that this EET or Comp Time that was seemingly earned and approved (though after the fact) by the employee's superior but was not subsequently recorded into CTAS creates a situation where the underlying records do not support or agree to CTAS – and there was no contemporaneous documentation prepared to explain why such differences existed or went unresolved.

Office personnel indicated, during our discussions, that the majority of the differences and discrepancies noted during our testing were due to the use of this poorly designed spreadsheet – one that was not designed to handle the variations to common practices of the Office's operating environment. As a result, these instances where no EET or Comp Time was expected were not documented for the cases where this was the employees' intent.

Office personnel also indicated employees are provided with printouts from CTAS that reflect current benefit time balances (including EET and/or Comp Time) on a monthly basis, and that employees should be performing reconciliations of their benefit time balances and reporting any discrepancies noted at that time. However, we noted the employees were not required to sign and return these monthly reports to indicate review or agreement with the balances reported, so the outcome of this process was not documented.

While it was likely the case that these employees were working additional time without the expectation of receiving EET or Comp Time in return, the fact remains that these employees' timesheets served as underlying support for the transactions recorded in CTAS, and differences existed without contemporaneous documentation as to why.

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10-8. **FINDING** (Outdated policy and procedure manual)

The Office of the State Fire Marshal (Office) had not properly updated its Policy and Procedure Manual (Manual) to reflect current operations and practices.

The Office's Manual was written to serve as a guide to employees regarding policies and procedures governing Office operations, as well as management expectations of employees. We noted the most recent version of the Manual is dated February 1994, and some minor updates to the manual had been documented in memorandum format in 2005. However, we noted the following discrepancies between the Manual and current practices:

- The Office's Manual stated employees must use vacation time in full-day or half-day increments. However, during our sample testing, we noted employees were permitted to use vacation time in half-hour increments.
- The Office's Manual stated travel vouchers must be submitted by the 15th of the month following the month of travel. However, during our sample testing, we noted Office personnel did not enforce this requirement.

Good internal controls require the establishment and continuous update of a policy and procedure manual to serve as a guide for agency operations and employee actions. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively and in compliance with applicable law.

Office personnel stated management staff have been handling higher priority projects and have not had adequate time to devote to a proper update of the Manual until recently. Office personnel also stated a vacancy in their upper management staff delayed the preparation of an updated Manual. Lastly, Office personnel stated an update is currently being prepared and reviewed before being released to employees.

Failure to review and update the Manual resulted in inconsistencies between the Manual and actual Office operations. In addition, the existence of an outdated Manual increases the risk employees will be misguided and management will apply policy inconsistently. (Finding Code No. 10-8)

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RECOMMENDATION

We recommend the Office periodically review and update its Manual to reflect current operations.

OFFICE RESPONSE

Agreed. We have finalized a new employee manual.

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10-9. **FINDING** (Voucher processing weaknesses)

The Office of the State Fire Marshal (Office) did not exercise adequate controls over voucher processing. We noted the following:

- Seventy-one of 347 (20%) vouchers tested, totaling \$118,299, were not signed by the receiving officer. The Statewide Accounting Management System (SAMS) (Procedure 17.20.20) states each invoice-voucher, upon receipt of goods or services, must be signed by the receiving officer verifying goods or services meet the stated specifications.
- Nine of 347 (3%) vouchers tested, totaling \$6,168, did not contain the proper approvals on the order documents. Statewide Accounting Management System (SAMS) (Procedure 17.10.30) requires the responsible agency official to examine proposed financial transactions and certify their propriety.
- Three of 347 (1%) vouchers tested, totaling \$51,301, were approved for payment from 6 to 71 days late. In addition, 13 of 347 (4%) vouchers tested, totaling \$20,493, did not include the date the invoice was received; therefore, we were unable to determine if the vouchers were approved within 30 days of the receipt of the invoice. One additional voucher, totaling \$35,800, did not include the date the invoice was approved; therefore, we were unable to determine if the voucher was approved within 30 days of the receipt of the invoice. The Illinois Administrative Code (Code) (74 Ill. Adm. Code 900.70) states that an agency shall review each vendor's bill and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the bill in whole or in part within 30 days after physical receipt of the bill. In addition, good internal controls require vouchers be timely approved for payment.
- One voucher tested, totaling \$3,282, was not coded with the proper SAMS detail object code. SAMS (Procedure 11.10.50) states the purpose of assigning a correct detail object code is to report expenditure information at a more refined level within a common object.
- One voucher tested, totaling \$122, did not include a purchase requisition. The Illinois State Records Act (5 ILCS 160/9) requires the head of each agency to establish and maintain a records management program, which shall include effective controls over the maintenance of records. SAMS (Procedure 17.10.20) requires that each State agency maintain all supporting documentation necessary to substantiate their expenditures.

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Office personnel stated they felt their process of obtaining an “approval to pay” signature on each voucher fulfilled the requirement for a receiving officer’s signature and date. Office personnel stated order documents were missing approval signatures, a purchase requisition was missing, and the wrong detail object code was used due to oversight. Office personnel also stated vouchers were approved late due to oversight. Lastly, Office personnel stated an approval date was missing due to oversight, and date received stamps were overlooked as the Office worked to refine its voucher processing procedures.

Failure to promptly approve vouchers may result in the late payment of bills and could cause the State to pay interest penalties. The lack of a receiving officer’s signature, inaccurate detail object codes, lack of proper approval for expenditure, failure to ensure vouchers are properly completed, and lack of supporting documentation reduces the overall control over expenditures and may lead to inappropriate expenditures. (Finding Code No. 10-9, 08-10)

RECOMMENDATION

We recommend the Office implement and maintain controls to ensure vouchers are signed off by receiving officers, timely approved by appropriate personnel, and contain accurate information and proper supporting documentation.

OFFICE RESPONSE

The Office partially agrees and partially disagrees with the finding.

The Office would like to point out, for purposes of perspective, that over the Fiscal Year 2009 and 2010 period nearly 6,400 items were processed.

The Office disagrees with the finding regarding signature and date of a receiving officer. The Officer believes that no additional signature, separate from approval to pay an invoice, is required. Verbal consultations with the Office of the Comptroller back up this interpretation. Office practice has always been to require the appropriate signature on all invoices prior to payment of an invoice. The approval to pay an invoice was assumed to encompass acknowledgement that goods and services had been received. The Office believes this practice complies with the requirements of the SAMS manual and with administrative rules.

While the Office partially disagrees with this finding it does continue to take steps to ensure that it is engaging in best business practices. As a result of discussions with auditors regarding this finding, the Office has amended its procedures and now requires two signatures on invoices and, where applicable, attaches signed and dated packing slips for goods received. For telecommunications bills, the Office now requires on-site

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employees to review and sign-off on phone bills. Managers continue to review those phone bills and sign-off on them. Additionally, managers continue to review and approve phone bills for field staff. As better practices are identified elsewhere, the Office will make changes to its procedures accordingly.

AUDITOR'S COMMENT

The requirement for a receiving officer's signature and date is made explicitly clear by SAMS (Procedure 17.20.20). SAMS (Procedure 17.20.20) states that "upon receipt of goods or services, the receiving officer verifies that the goods or services meet the stated specifications, signs the vendor's invoice certifying this, and forwards the vendor's invoice to the accounting department for preparation of the invoice-voucher." SAMS (Procedure 17.20.20) also makes separate mention of obtaining an approval signature and certifying signature and date. While SAMS does not indicate all of these signatures must be from separate persons, the invoice-voucher form (Form C-13, appearing in the SAMS manual as Exhibit 17.20.20-A) does have 4 separate lines for signatures, including "approved for payment," "receiving officer," "head of unit or authorized agent," and "agency head." This exhibit indicates to us the need for multiple people to be involved in the review and approval of transactions prior to payment.

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10-10. **FINDING** (Inadequate collection and reporting of accounts receivable)

The Office of the State Fire Marshal (Office) did not properly refer delinquent accounts receivable to the Comptroller’s Offset System, nor did it accurately report accounts receivable information to the Office of the Comptroller (Comptroller) via its Quarterly Summary of Accounts Receivable (C-97 and C-98 Reports).

During our testing, we noted the following deficiencies:

- The Office did not refer debts over \$1,000 and more than 90 days past due to the Comptroller’s Offset System. Our testing of 50 accounts receivable indicated 6 accounts (12%) totaling \$12,210 were more than 90 days past due as of June 30, 2010, yet had not been referred to the Comptroller’s Offset System.

The Illinois State Collection Act of 1986 (Act) (30 ILCS 210/3) requires agencies to aggressively pursue the collection of accounts receivable through all reasonable means. Statewide Accounting Management System (SAMS) (Procedure 26.40.20) states agencies must place all debts over \$1,000 and more than 90 days past due in the Comptroller’s Offset System.

- Two of 8 (25%) C-97 and C-98 Reports filed with the Office of the Comptroller during Fiscal Years 2009 and 2010 contained errors when compared to underlying Office records. In addition, we noted a computation error within agency records for one of the quarters noted below. As a result, the C-97 and C-98 reports contained errors, as summarized below:

Fiscal Year Affected	Quarter Affected	Effect on C-97 and C-98 Reports
2009	1 st Quarter	Overstated by \$6,750
2010	4 th Quarter	Understated by \$2,000

SAMS (Procedure 26.30.20 and 26.30.30) sets forth the requirements for reporting of accounts receivable activity during each quarter. Good internal controls require the careful preparation and review of all reports for accuracy before filing.

- One of 8 (13%) C-97 Reports filed contained significant adjustments without adequate explanation. The Office reported a \$13,000 decreasing adjustment in its C-97 Report for UST activity for the quarter ended June 30, 2009 but failed to include a proper explanation for the adjustment as required. This adjustment represents 45% of the net receivable balance as of June 30, 2009.

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SAMS (Procedure 26.30.20) requires agencies to include an explanation for any adjustments made on the C-97 Report.

At June 30, 2010, boiler and pressure vessel safety (BPV) and elevator inspection (inspection) receivables consisted of 3,088 accounts totaling \$693,000. At June 30, 2010, underground storage tank (UST) receivables consisted of 11 accounts totaling \$34,000.

Office personnel stated the errors described above were due to oversight during the report preparation process. Office personnel also stated they have been aggressively pursuing collection on all outstanding accounts receivable, utilizing both their own staff as well as a private collection agency to maximize collections. The instances noted during testing, however, were not referred to the Comptroller's Offset System due to oversight.

Failure of the Office to use the Comptroller's Offset System is noncompliance with the Act and SAMS. Failure to accurately report accounts receivable balances could lead to the failure to properly collect amounts owed to the State and inaccuracies in statewide financial reports. (Finding Code No. 10-10, 08-6, 06-7, 04-9, 02-2, 00-1, 98-1, 96-1, 94-2, 92-2, 90-3, 90-9)

RECOMMENDATION

We recommend the Office allocate necessary resources to properly report and fully pursue collections on delinquent accounts receivable. We further recommend all eligible delinquent accounts be referred to the Comptroller's Offset System. Lastly, we recommend the Office carefully prepare and review accounts receivable reports to ensure accounts receivable are reported in accordance with SAMS procedures.

OFFICE RESPONSE

Agreed. The Agency via the Shared Services Center, will make every effort to ensure compliance with the Comptroller and statutory requirements of the accounts receivable processing and reporting.

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10-11. **FINDING** (Inadequate control over the purchase, recording and reporting of State property)

The Office of the State Fire Marshal (Office) did not exercise adequate control over the purchase, recording and reporting of State property.

During our review of the Office’s Quarterly Report of State Property (C-15 reports), 5 of 8 (63%) C-15 reports were noted as containing the following errors:

- We noted 2 items were added to the Office’s equipment records multiple times, resulting in equipment overstatements totaling \$885. As a result, 2 of 8 (25%) C-15 reports prepared by the Office and submitted to the Comptroller did not accurately reflect Office equipment transactions.
- 4 of 8 (50%) C-15 reports prepared by the Office and submitted to the Comptroller did not accurately reflect Office equipment transactions. We noted differences between the addition, deletion, and ending balance amounts reported on the C-15 reports and the Office’s quarterly transaction spreadsheets as follows:

<u>Quarter</u>	<u>Asset Class</u>	<u>Amount Reported to Comptroller</u>	<u>Amount per Quarterly Transaction Spreadsheet</u>	<u>Difference</u>
9/30/2008	Additions	\$453,443	\$463,264	(\$9,821)
9/30/2008	Deletions	\$0	\$197,880	(\$197,880)
9/30/2008	Net Transfers	\$226,707	\$28,827	\$197,880
12/31/2008	Additions	\$50,391	\$55,765	(\$5,374)
6/30/2009	Additions	\$74,300	\$75,792	(\$1,492)
6/30/2009	Deletions	(\$93,706)	(\$81,879)	(\$11,827)
12/31/2009	Additions	\$10,207	\$11,497	(\$1,290)

Total net difference – C-15s to Office records (\$29,804)

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Statewide Accounting Management System (SAMS) (Procedure 29.20.10) requires an agency to report all additions, deletions, and net transfers affecting each asset class that occurred during the quarter being reported. SAMS (Procedure 29.10.10) also states that the objective of fixed asset reporting is to ensure that agencies are updating property records to reflect the current balance of fixed assets and to enhance the accuracy of information reported. Good internal controls require sufficient and properly designed accounting records be maintained to adequately control fiscal operations and provide reliable data for necessary management reports. Additionally, good business practices require an agency to review all reported information for accuracy before submission.

We also noted the following during our review of the Office's equipment records:

- The Office did not timely record 195 equipment additions, totaling \$203,302, on its inventory listing. Of these instances, we noted 190 items, totaling \$202,037, were added to the Office's inventory listing 6 to 2,661 days late. We also noted 4 items, totaling \$980, were added to the Office's inventory listing 5,529 days late. Lastly, we noted 1 item, totaling \$285, for which an acquisition date could not be determined. As a result, the Office's equipment system assigned a default acquisition date of January 1945, making this addition to the Office's inventory listing appear over 23,000 days late.

The Illinois Administrative Code (44 Ill. Adm. Code 5010.400) states that agencies shall adjust property records within 30 days of acquisition, change or deletion of equipment items.

- For 6 of 25 (24%) vouchers tested, the Office did not retain the new furniture affidavits filed with the Department of Central Management Services (DCMS) to support new purchases of equipment items over \$500. These vouchers contained purchases of new equipment totaling \$12,662.

The State Property Control Act (30 ILCS 605/7a) requires agencies desiring to purchase new furniture to first check with DCMS if any of the surplus furniture available can be used in place of new furniture. If an agency is unable to use surplus property, the agency must file an affidavit with the administrator prior to purchasing furniture over \$500. In addition, the State Records Act (5 ILCS 160/8) requires the Office to preserve records containing adequate and proper documentation to support transactions.

- For 11 of 25 (44%) vouchers tested, the equipment items totaling \$500 or more could not be located on the Office's annual certifications of inventory filed with DCMS during Fiscal Years 2009 and 2010.

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The Illinois Administrative Code (44 Ill. Adm. Code 5010.460) requires all agencies to make an annual physical inventory of State equipment in their possession and provide the Property Control Division of DCMS an annual listing of all equipment items valued in excess of \$500. The Code also requires that all inventory checks must include 100% of all State equipment subject to being reported to DCMS and must verify the location code and the identification number of each item of equipment.

- For 2 of 25 (8%) equipment additions tested, increasing inventory adjustments were not computed correctly, resulting in equipment overstatements totaling \$5,521.

Good internal controls require sufficient and properly designed accounting records be maintained to adequately control fiscal operations and provide reliable data for necessary management reports. Additionally, good business practices require an agency to review all reported information for accuracy before submission.

- For 2 of 25 (8%) equipment deletions tested, the deletion request forms did not include the amounts of the items to be deleted from inventory.
- In addition, for 1 of 25 (4%) equipment deletions tested, totaling \$150, the deletion request form was not completed properly. Office personnel indicated on the form that the item to be deleted was lost; however, the item was actually intentionally destroyed by Office personnel as part of a training exercise, which requires additional information to be disclosed on the form.

The State Records Act (5 ILCS 160/8) requires the Office preserve records containing adequate and proper documentation to support transactions.

We also noted the following problems with item location information maintained by the Office:

- One of 25 (4%) items tested, totaling \$2,968, appeared on the Office's records but could not be found at the designated location within the Office.
- One of 25 (4%) items tested, totaling \$1,108, was found within the Office's Chicago location; however, Office property records indicated the item was located at the Office's Springfield location.
- For 3 of 25 (12%) items tested, totaling \$1,083, the Office's corresponding locations listed on the property records did not match the location where the items were observed within the Office.

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The State Property Control Act (30 ILCS 605/4) requires that the agency be accountable for the supervision, control, and inventory of all property under its jurisdiction and control.

Office personnel stated many errors noted occurred due to transition problems that occurred when the recordkeeping and reporting functions were moved from the Office to the Public Safety Shared Services Center (PSSSC). Office personnel also noted many of the discrepancies noted during testing between the C-15 reports and the Office's quarterly transaction spreadsheets were attributable to manual adjustments computed by PSSSC personnel. However, this manual adjustment was not presented to the auditors until after the exceptions were noted and presented to Office personnel. This manual adjustment information differs greatly from the information presented to the auditors initially as the supporting documentation for the C-15 reports.

Failure to exercise adequate control over property and maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. Inaccurate and untimely property reporting reduces the reliability of statewide property information. (Finding Code No. 10-11, 08-9, 06-16, 04-7)

RECOMMENDATION

We recommend the Office strengthen internal controls over the recording and reporting of State property by reviewing their inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. We also recommend the Office ensure all equipment is accurately and timely recorded on the Office's property records and are properly valued. In addition, we recommend the Office thoroughly review all reports prepared from internal records for accuracy before submission to the Office of the Comptroller and the Department of Central Management Services.

OFFICE RESPONSE

Agreed. The inventory function was transitioned over to the Public Safety Shared Services Center. Some of the exceptions were caused during the transitional period. Additionally, Shared Services uses an old access database for inventory controls. We will evaluate the possibility of purchasing an updated inventory control system including bar code technology.

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10-12. **FINDING** (Noncompliance with the Petroleum Equipment Contractors Licensing Act)

The Office of the State Fire Marshal (Office) did not comply with the Petroleum Equipment Contractors Licensing Act (Act). We noted the following weaknesses:

- The Office did not adopt any rules specifying the minimum amount of training required for the personnel engaged in Underground Storage Tank (UST) activities regulated under the Act. The Act (225 ILCS 729/35(c)), which was effective July 11, 2002, requires the Office to adopt rules outlining the minimum amount of training required for personnel engaged in UST activity regulated under the Act. In addition, the Office's administrative rules state, "By calendar year 2005, the (Office) plans to develop...and adopt rules establishing an Illinois specific curriculum for the training of UST contractors" (41 Ill. Adm. Code 172.20(d)).
- The Act (225 ILCS 729/70) requires the Office to maintain a log of all complaints received concerning violations regarding parties licensed under the Act or unlicensed activity. However, we noted the Office did not maintain a log of complaints received as required. As a result, we could not determine if the Office took appropriate action to investigate or follow up on complaints received.
- We also noted the Office issued 11 refunds, totaling \$9,300, to parties who were either licensed under the Act or who had applied for licensure. In 10 of these instances, the Office approached the party and offered refunds, either due to overpayment or timing of license expirations. In the other instance, the contractor approached the Office and requested a refund because it did not wish to submit all of the outstanding items necessary to process its renewal application. However, the Act (225 ILCS 729/45(c)) states that all fees paid pursuant to the Act are nonrefundable.

Office personnel stated they do not believe they received any complaints during the examination period that should have been logged. Office personnel also stated they continued to process refunds where they considered them necessary because they did not want to create an undue financial burden on contractors. Lastly, Office personnel stated they were aware of the requirement to adopt rules to specify minimum training amounts for personnel engaged in UST activities but has not had adequate staffing and resources available to prepare rules for this program.

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Failure to adopt required rules may result in a lack of necessary training to ensure the proper UST installation, testing, and maintenance for the safety of Illinois owners, operators, and citizens. Failure to maintain a log of all complaints received is noncompliance with State statute and limits the Office's ability to analyze any patterns of complaints received regarding licensed contractors, as well as activity performed by unlicensed parties. The issuance of refunds when prohibited reduces the amount of funding available to meet the operational needs of the Office.

During the prior examination period, our testing indicated the Office issued licenses to a sample of contractors tested, despite required items and information missing from the applications. However, during the current examination period, the Office ensured all required items and information were obtained from applicants prior to the issuance of licenses for the sample of applicants tested. (Finding Code No. 10-12, 08-15, 06-27)

RECOMMENDATION

We recommend the Office adopt rules outlining the minimum amount of training as required by the Act or seek legislative remedy to the statutory requirement. We also recommend the Office comply with the Act's requirement to log all complaints concerning violations regarding licensee or unlicensed activity. Lastly, we recommend the Office comply with the Act's prohibition of refunds, or seek legislative remedy to the statutory requirement.

OFFICE RESPONSE

Agreed. SB2145 should resolve the first and third bullet points. The reference minimum amount of training will be removed and will allow for refunds for accidental overpayments. This bill has passed both houses and was sent to the Governor on 6/17/11. We have established a log that will be filled out if we receive a citizen's complaint against a contractor. We do not feel we received any complaints during the audit period that would have met these criteria.

OSFM has done some limited research and found no cases interpreting Section 70 of the Petroleum Equipment Contractor's Licensing Act (225 ILCS 729/70). However, OSFM's position that the ordinary language of the statute suggests that citizen's complaints are the focus of the statute's requirement for a log is supported by regional and national practices involving other agencies. OSFM notes the following cases discussing the issue of "complaints" received by a regulatory or overseeing body: Pope v. Mississippi Real Estate Commission, 695 F. Supp. 253, 1988-1 Trade Cases P 67,953 (N.D. Miss. 1988) (holding that Mississippi Real Estate Commission was immune from liability for its regulatory practice of investigating complaints by those outside agency

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including complaints of real estate brokers' competitors and from liability for taking disciplinary action against the brokers complained of); Northwest Florida Home Health Agency v. Merrill, 469 So.2d 893, 10 Fla. L. Weekly 1257 (1st Dist. 1985) (upholding Florida State Board of Nursing practice of encouraging regulated medical professionals to make confidential complaints of violations or misconduct that could lead to potential discipline of a licensee and its practice of confidential investigations of such complaints); cf. AAMCO Transmissions, Inc. v. Dyer, 433 F.Supp. 188 (D. Colo 1977) (referencing consent order with Federal Trade Commission requiring franchisor to monitor and investigate customer complaints received by its franchisees).

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- 10-13. **FINDING** (Failure to exercise adequate control over applications for boiler and pressure vessel repair licensure)

The Office of the State Fire Marshal (Office) did not exercise adequate control over its processing of applications for boiler and pressure vessel repair licensure and did not establish rules for out-of-state applicants as required by Boiler and Pressure Vessel Repairer Regulation Act (Act) (225 ILCS 203/45).

We tested 22 new applications for boiler and pressure vessel repair licensure, and noted licenses were issued to all 22 applicants, despite the following deficiencies noted during our testing of the application files:

- Seven of 22 (32%) application files did not include the addresses of all general partners, general managers, officers, or limited partners;
- Four of 22 (18%) application files did not include evidence of an affidavit stating the partnership had been legally formed;
- Three of 22 (14%) application files did not include evidence of the name and registered address for the corporation and the name of the registered agents for the corporation;
- Two of 22 (9%) application files did not include evidence of a letter of authority from the Illinois Secretary of State's Limited Partnership Office; and
- One of 22 (5%) application files did not include evidence of a valid Certificate of Authorization to use the "R" Repair Symbol Stamp.

The Boiler and Pressure Vessel Repairer Regulation Act (225 ILCS 203/35) requires applicants for licensure to submit to the Office required fees, proof of insurance, certain business documents, and evidence of compliance with qualifications and standards established by the Board of Boiler and Pressure Vessel Rules (Board).

In addition, the Act requires the Board of Boiler and Pressure Vessel Rules to promulgate rules for licensure for applicants who are registered under the laws of another state. The Act states applicants may be licensed under the Act without examination, upon payment of the required fee, if the requirements for registration are substantially equal to the requirements in force in Illinois and that the state, territory, or country has similar rules for licensure.

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Office personnel stated the rules for out of state applicants had been delayed due to competing priorities for the Office's limited staff. Office personnel also stated licenses were issued in the tested cases, despite the missing items from the application files, due to oversight.

Failure to adequately review applications for all required information and qualifications to adopt rules governing licensure for out of state applicants could result in unqualified personnel performing boiler and pressure vessel repairs. Further, failure to obtain evidence of a valid certificate of authorization to use the "R" repair symbol stamp for welded repairs could pose a threat to public safety. Further, noncompliance with statutes circumvents controls implemented by the State legislature. (Finding Code No. 10-13, 08-22)

RECOMMENDATION

We recommend the Office thoroughly review all applications to ensure the applicants meet all of the required criteria before licensure is granted. We recommend the Office adopt rules governing the review of out of state applicants for licensure as required by the Boiler and Pressure Vessel Repairer Regulation Act.

OFFICE RESPONSE

Agreed. All new applications/renewals are being reviewed for documents required by the Act. We will be reviewing the Act and associated Administrative Rules to determine whether all the information is necessary. If not, we will recommend statutory changes and/or revisions to the rules. We have established rules for out-of-state applicants as required by the Boiler and Pressure Vessel Repairer Regulation.

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10-14. **FINDING** (Inspections of boilers and pressure vessels not performed timely)

The Office of the State Fire Marshal (Office) did not conduct inspections of boilers and pressure vessels in a timely manner.

Twenty-three of fifty (46%) boiler and pressure vessel inspections tested were not performed in a timely manner. These inspections were performed from 1 to 55 days late.

The Boiler and Pressure Vessel Safety Act (430 ILCS 75/10) requires the Office to thoroughly inspect the construction, installation, condition, and operation of boilers and pressure vessels in the State at periodic intervals ranging from annually to tri-annually. The inspections can be performed by authorized insurance company officials or by trained inspectors of the Office.

Office personnel cited various reasons for late inspections, including difficulty in gaining access to some locations that are largely unmanned (such as car washes) and locations that must cease operations altogether to permit a proper inspection. In addition, Office management stated location owners generally resist inspections prior to their certificate expiration dates because it reduces the amount of time between billings.

Failure to perform inspections within the required timeframes is noncompliance with State statute. In addition, the risk increases that an unsafe condition could occur when inspections are not performed on a timely basis. (Finding Code No. 10-14, 08-23, 06-21, 04-4, 02-5)

RECOMMENDATION

We recommend the Office implement necessary controls to identify and perform inspections in a timely manner.

OFFICE RESPONSE

Agreed. Based on the current rules, the inspections were late because there is no latitude built into the process. At the same time, since the companies have to pay for the inspections, they are reluctant to have inspections early since that will start the clock over for the next inspection. The original intent of the previous rule changes were to provide for some latitude in completing inspections. This will be discussed with the Boiler and Pressure Vessel Board and recommendations will be made to clarify the administrative rules.

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10-15. **FINDING** (Failure to timely reimburse for firefighter training)

The Office of the State Fire Marshal (Office) did not timely issue reimbursements for firefighter training as required by the Illinois Fire Protection Training Act (Act).

None of the 13 local governmental agencies and individuals tested who incurred eligible training costs during calendar year 2008 were reimbursed timely during Fiscal Year 2009. The reimbursements for calendar year 2008 training costs incurred by the tested local governmental agencies and individuals, totaling \$461,405, were issued 6 to 25 days late.

The Act (50 ILCS 740/10) requires the Office to reimburse local governmental agencies and individuals participating in the training program an amount equaling one-half of the total sum paid for allowable training costs during each year. These reimbursements are to be made no later than May 30th of the following year.

Office personnel stated the payments were delayed due to an interpretation issue on the matter of probationary fire fighters. Office personnel stated they opted to delay the release of the payments until the matter was fully resolved, instead of issuing potentially incorrect or inaccurate payments.

Failure to issue reimbursements timely increases the financial burden on the local governmental agencies and individuals who pay for training and is noncompliance with a State statute. (Finding Code No. 10-15, 08-24)

RECOMMENDATION

We recommend the Office ensure all future reimbursements made under the Act are issued timely.

OFFICE RESPONSE

Agreed. The reimbursements were late for FY09 due to a legal interpretation which resulted in some updates to the PSE System. It was the Legal Counsel's decision that the checks be mailed late rather than the alternative of the amounts being sent to the local governments being incorrect. The legal interpretation was in regards to the probationary period. All of the payments listed on the schedule were six days late with the exception of one that was 25 days late.

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10-16. **FINDING** (Board not fully seated)

The Fire Equipment Distributor and Employee Advisory Board (Board) did not consist of 9 members as required by the Fire Equipment Distributor and Employee Regulation Act of 2000 (Act).

The Board was statutorily created to serve in an advisory capacity to the State Fire Marshal and to propose additions or modifications to administrative rules adopted in conjunction with this Act whenever the majority of the members of the Board believe the rules are deficient for the proper administration of the Act.

The Board had one vacancy since May 2007 for a public member. The person who previously held this position on the Board resigned during Fiscal Year 2007, and the State Fire Marshal did not appoint anyone to fill the resulting vacancy. The Act (225 ILCS 217/25) requires the Board to be composed of 9 members, including a public member who is not licensed under the Act or a similar act of another jurisdiction and who has no connection with any business licensed under the Act. This public member of the Board is to be appointed by the State Fire Marshal.

Office personnel stated that they have made several attempts to fill the position. However, since it is not a compensated position, Office personnel stated it has been difficult to locate a person who is willing to donate his or her time.

Failure of the Board to be composed of 9 members is noncompliance with State statute, and limits the input into Board decisions by all parties intended by statute. (Finding Code No. 10-16, 08-25)

RECOMMENDATION

We recommend the State Fire Marshal timely appoint appropriate persons to fill the current and any future vacancies on the Board.

OFFICE RESPONSE

Agreed. The Office has made several attempts to fill the public member vacancy on the Fire Equipment Distributor Board. We are actively pursuing qualified candidates and are committed to extending the search efforts.

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10-17. **FINDING** (Failure to maintain administrative panel)

The Office of the State Fire Marshal (Office) did not maintain a 7-member administrative panel as required by the Hazardous Material Emergency Response Reimbursement Act (Act).

The administrative panel was statutorily required to be formed to review claims made against the Hazardous Material Emergency Reimbursement Fund and to determine reasonable and necessary expenses to be reimbursed to an emergency response agency. The panel must consist of two representatives from emergency response agencies, three industry representatives, one member not affiliated with either entity, and the State Fire Marshal or his designee. The panel had no designated members and had not met once in the past 5 years or more.

The Act (430 ILCS 55/7) requires the Office to establish and maintain a 7-member administrative panel. The Act requires the panel members to serve for two years and meet at least quarterly with the following responsibilities:

- Reviewing claims made against the Hazardous Material Emergency Response Reimbursement Fund and determining reasonable and necessary expenses to be reimbursed to an emergency response agency, and
- Affirming that the emergency response agency has made a reasonable effort to recover expended costs from the involved parties.

Office personnel stated there have been no claims filed during the last several years; therefore, the panel has not needed to meet.

Failure to form and maintain an administrative panel and designate members is noncompliance with State statute and could result in a delay in the reimbursement process, should a request for reimbursement be received. (Finding Code No. 10-17, 08-26)

RECOMMENDATION

We recommend the Office designate members of an administrative panel to comply with the Hazardous Material Emergency Response Reimbursement Act or seek a legislative remedy to the statutory requirement.

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OFFICE RESPONSE

Agreed. The Office has drafted legislation to eliminate this administrative panel and intends to pursue this in the future.

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- 10-18. **FINDING** (Noncompliance with the Pyrotechnic Distributor and Operator Licensing Act)

The Office of the State Fire Marshal (Office) did not establish a reinstatement fee for licenses which were allowed to lapse as required by the Pyrotechnic Distributor and Operator Licensing Act (225 ILCS 227/50). As a result, licensees were not charged a reinstatement fee.

We noted 3 of 25 (12%) licensees tested allowed their licenses to lapse 18 to 43 days after the 60 day grace period and were not required to pay a reinstatement fee before being issued a new license.

The Pyrotechnic Distributor and Operator Licensing Act (225 ILCS 227/50) requires the Office to establish a reinstatement fee for licenses that are not renewed within 60 days of the expiration date, or lapsed. The Act further states a lapsed license may not be reinstated until a written application is filed, the renewal fee is paid, and the reinstatement fee established by the Office is paid.

Office personnel stated the Office neglected to include a reinstatement fee when writing the Administrative Rules due to oversight.

Failure to establish and impose a reinstatement fee could result in lost revenues and is noncompliance with State statute. (Finding Code No. 10-18)

RECOMMENDATION

We recommend the Office establish and impose a reinstatement fee as required by the Pyrotechnic Distributor and Operator Licensing Act.

OFFICE RESPONSE

Agreed. The agency is in the process of proposing changes to administrative rules to accommodate the reinstatement fee. Rules were filed with the Secretary of State on September 9, 2010.

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10-19. **FINDING** (Noncompliance with the Fire Protection District Act)

The Office of the State Fire Marshal (Office) did not establish rules and regulations for the administration of grants as required by the Fire Protection District Act.

The Fire Protection District Act (Act) (70 ILCS 705/1.05) requires the Office to promulgate rules and regulations for the administration of a grant program to defray the cost of organizing a new fire protection district.

Office personnel stated rules had not been developed due to competing priorities for Office management. Office personnel also cited a low public interest in this program and a traditionally low number of transactions in this program as reasons why rules had not yet been adopted for this program.

Failure to establish rules for the administration of the grant program could cause the grants to be inappropriately administered and is noncompliance with State statute. (Finding Code No. 10-19)

RECOMMENDATION

We recommend the Office establish rules and regulations to administer the grants as required by the Fire Protection District Act.

OFFICE RESPONSE

Agreed. The rules were adopted October 2010.

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10-20. **FINDING** (Failure to adopt new elevator standards timely)

The Elevator Safety Review Board (Board) within the Office of the State Fire Marshal (Office) failed to adopt new standards timely as required by the Elevator Safety and Regulation Act (Act).

The Elevator Safety Division was created in January 2003 to oversee the enforcement of elevator safety standards. The Office's Board is statutorily mandated to adopt rules for the enforcement of the Act (225 ILCS 312/35), and these rules have been codified in the Illinois Administrative Code (Administrative Rules) (41 Ill. Adm. Code 1000). During our review, we noted the Board had not adopted the following nationally recognized standards:

- The Standard for the Qualification of Elevator Inspectors (ASME QEI-1-2007), which became effective on December 21, 2007;
- The Automated People Mover Standards (ANSI/ASCE T&DI 21.2-2008) which became effective on July 15, 2008;
- The Automated People Mover Standards (ANSI/ASCE T&DI 21.3) which became effective on July 8, 2008;
- The Automated People Mover Standards (ANSI/ASCE T&DI 21.4-) which became effective on June 18, 2008;
- The Safety Requirements for Personal Hoists and Employee Elevators in Construction and Demolition Operations Standard (ANSI/ASSE A10.4-2007) which became effective on May 3, 2007; and
- The ASME A18 Standards (ASME A18.1-2008) which became effective on July 3, 2008.

Effective July 23, 2009, the Act (225 ILCS 312/35) required the Board to adopt the latest editions of certain professional standards within twelve months after the effective date of those standards.

Office personnel stated the Board has adopted the standards as referenced; however, the Administrative Rules have not yet been updated to reflect the new standards. Office personnel stated they have been working closely with the Joint Committee on Administrative Rules on various revisions to the Administrative Rules since Fiscal Year 2009.

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Prompt adoption of updated nationally recognized standards is necessary to ensure the enforcement of the most current industry guidance and to ensure compliance with State statute. (Finding Code No. 10-20, 08-20)

RECOMMENDATION

We recommend the Office keep abreast of nationally recognized safety code updates and timely adopt all applicable standards as required by the Act.

OFFICE RESPONSE

Agreed. The standards referred to have been adopted by the Board. However, new Elevator Safety rules have been in process since early 2009. We submitted the rules to JCAR in a timely fashion. They have just recently been reviewed by JCAR (4/12/11) with recommendations to the Board. The Board accepted one of the recommendations and rejected the other. We are currently working with JCAR to resolve the situation.

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10-21. **FINDING** (Noncompliance with the Elevator Safety and Regulation Act)

The Elevator Safety Review Board (Board) within the Office of the State Fire Marshal (Office) did not comply with the Elevator Safety and Regulation Act (Act).

The Elevator Safety Division was created in January 2003 to oversee the enforcement of elevator safety standards. We noted the following during our testing:

- The Board did not adopt a fee schedule for elevator inspections. The Act (225 ILCS 312/35(c)) requires the Board to establish a fee schedule for elevator licenses and registration issued by the State Fire Marshal, as well as permits, certificates, and inspections of conveyances.
- The Board did not meet during the first quarter of Fiscal Year 2010. The Act (225 ILCS 312/30) requires the Board to meet regularly once each quarter or as often as deemed necessary by the State Fire Marshal.

Office personnel stated they do not currently perform any elevator inspections, so they did not determine it was necessary to adopt a fee schedule for inspections. Office personnel also stated a meeting was scheduled for the first quarter of Fiscal Year 2010, but the meeting was cancelled due to a lack of quorum.

Failure to adopt a fee schedule for elevator inspections and to meet once each quarter is noncompliance with a State statute. (Finding Code No. 10-21)

RECOMMENDATION

We recommend the Board establish a fee schedule for inspections performed or seek a legislative remedy to the statutory requirement. We also recommend the Board meet once per quarter as required by the Act.

OFFICE RESPONSE

Agreed. Board meetings were not held in the first quarter of FY 10 (July, August, and September of 2009) due to a lack of a quorum. At the time the Board was to have 14 members. However, all appointments were never filled by the Governor's Office and therefore there was not a quorum for scheduled meetings. It should be noted that there were 2 meetings held during the 4th quarter of FY 09 and 2 meetings held the 2nd quarter of FY 10. The Governor appointed 7 of the members between 9/2/2009 and 10/16/2009. We discussed this situation with the Office's General Counsel. He interprets the Act to state they will meet quarterly unless the Administrator determines otherwise. In the case

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listed above the Administrator determined it would not be necessary to meet since they did not have a quorum. The Administrator did determine that, during FY 10, 6 meetings were necessary.

The Office of the State Fire Marshal does not do elevator inspections therefore we would not set a fee for elevator inspections. Individual contracts with elevator inspection companies to do the actual inspection work and those companies set their own fees. We license the elevator inspection companies. We will look at statutory changes to get this situation resolved. The Board has established a fee schedule for license applications, conveyance registrations, certificates of operation, permits, alterations and variances.

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10-22. **FINDING** (Failure to distribute arson fines)

The Office of the State Fire Marshal (Office) did not timely distribute arson fines received to the required fire departments and fire prevention districts for the purchase of fire suppression or fire investigation equipment. We noted the following:

- In prior examination finding 08-28, the auditors noted the Office did not distribute some arson fines timely, did not distribute some arson fines at all, and did not establish case files for ongoing cases to ensure prompt distribution of the fines collected.
- During the current examination, the Office could not determine the amount of money held in the Fire Prevention Fund awaiting distribution to fire departments and fire prevention districts as required. Prior to August 13, 2009, the Unified Code of Corrections (Code) stated “moneys in the Fire Prevention Fund collected as additional fines under this Section shall be distributed by the Office of the State Fire Marshal to the fire department or fire protection district that suppressed or investigated the fire” (730 ILCS 5/5-9-1.12). As of August 12, 2009, circuit courts in Illinois had levied fines against offenders in 44 arson cases, totaling \$16,506, dating as far back as 2003. However, the circuit courts were not able to collect all fines levied from the offenders, and in some cases, allowed the offenders to arrange payment plans. Office personnel also cited inadequate information received from circuit courts as well as fire departments and fire prevention districts as barriers to distributing the fines collected. As a result, the Office could not readily determine the amount of money held in the Fire Prevention Fund awaiting distribution.
- Effective August 13, 2009, the Code was modified by P.A. 96-0400 to state “moneys in the Fire Service and Small Equipment Fund collected as additional fines under this Section shall be distributed by the Office of the State Fire Marshal as appropriated and according to the rules set forth and adopted under the Emergency Services Response Reimbursement for Criminal Convictions Act” (Act) (730 ILCS 185/et seq.). Office personnel stated no monies collected pursuant to the Code have been distributed since August 13, 2009. In addition, office personnel stated the Act did not grant the Office authority to promulgate rules regarding the distribution of arson fines deposited into the Fire Service and Small Equipment Fund, and as a result, no rules or procedures have been developed. The Office did receive an appropriation from the Fire Service and Small Equipment Fund during Fiscal Year 2010 totaling \$2,000,000 and reported distributing \$1,994,122 in small equipment grants from this appropriation.

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- The Office has not made any further attempts to distribute monies collected from convictions and sentencing carried out prior to August 13, 2009. Office personnel stated they lack the resources to devote to the research and work necessary to track down all of the information necessary to be able to distribute the arson fines collected. Office personnel also stated they felt they could not make further attempts to distribute these monies because they no longer had the statutory authority to make such distributions.

Failure to identify recipients and distribute arson fines timely among the required fire departments or fire prevention districts prevents the receipt of funds by those entities for the purchase of fire suppression or fire investigation equipment. (Finding Code No. 10-22, 08-28, 06-24)

RECOMMENDATION

We recommend the Office continue to work with circuit clerks remitting fines and other State and local government entities to obtain the information necessary to identify the fire units entitled to outstanding arson fines stemming from convictions and sentencing carried out prior to August 13, 2009, or develop an alternative plan for the distribution of monies collected and seek legislative approval for such disposition. We also recommend the Office seek the authority to promulgate administrative rules to govern the distribution of fines collected and deposited into the Fire Service and Small Equipment Fund.

OFFICE RESPONSE

Agreed. We will be seeking legislative changes to address the disposition of the old fines residing in the Fire Prevention fund and to delete references to the Emergency Services Response Reimbursement for Criminal Convictions Act in 730 ILCS 5/5-9-1.12(c).

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A. **FINDING** (Lack of controls over Firefighters Memorial Fund distributions)

During the prior examination, the Office of the State Fire Marshal (Office) did not exercise proper control over the contract and monitoring of the monies paid from the Firefighters Memorial Fund. In addition, the Office did not recoup \$612 in prior audit period overpayments made to the Firefighter Memorial Foundation (Foundation) for inappropriate expenditures.

During the current examination, the Office increased their internal controls over the contract and monitoring of the monies paid from the Firefighters Memorial Fund. Our sample testing did not disclose any excessive or unallowable reimbursements to the Foundation. In addition, we noted that the Office did recoup \$612 in prior audit period overpayments made to the Foundation for inappropriate expenditures. (Finding Code 08-1, 06-1)

B. **FINDING** (Inadequate controls over contractual agreements)

During the prior examination, the Office did not exercise adequate control over contractual agreements. Specifically, the auditors noted a notice of award was not published timely, contracts were not approved prior to the performance of services or ordering of goods, and contracts did not include signature dates for all parties.

During the current examination, the results of our sample testing indicated the Office materially complied with regulations concerning contractual agreements. (Finding Code No. 08-2, 06-3)

C. **FINDING** (Inaccurate accounting records)

During the prior examination, the Office did not maintain accurate accounting records. In addition, the Office did not perform expenditure reconciliations timely and failed to report to the Office of the Comptroller differences between Office and Comptroller records.

During the current examination, the Office maintained accurate accounting records. Additionally, the Office performed expenditure reconciliations timely and reported differences to the Office of the Comptroller. (Finding Code No. 08-4)

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D. **FINDING** (Failure to perform monthly revenues reconciliations)

During the prior examination, the Office did not perform monthly revenue reconciliations to the Comptroller's records during Fiscal Year 2007.

During the current examination, the Office performed monthly revenue reconciliations to the Comptroller's records as required. (Finding Code No. 08-5)

E. **FINDING** (Inaccurate Fee Imposition Report)

During the prior examination, the Office did not file an accurate Agency Fee Imposition Report with the Office of the State Comptroller. The auditors noted the report filed excluded one category of fees and included misclassifications of other fees collected.

During the current examination, we did not note any inaccuracies in the Agency Fee Imposition Reports during our sample testing. (Finding Code No. 08-7, 06-8)

F. **FINDING** (Lack of disaster contingency planning or testing to ensure the recovery of computer systems)

During the prior examination, the Office had not established appropriate controls to recover its applications and data in a secure and timely manner.

During the current examination, we noted the Office had made improvements in controls by implementing the OSFM Disaster Recovery Plan to document the recovery needs for its applications and data. Additionally, recovery testing was performed during the examination period. (Finding Code No. 08-13, 06-19)

G. **FINDING** (Lack of computer security policies)

During the prior examination, the Office had not established adequate controls for securing its computer resources.

During the current examination, we noted the Office had made improvements in controls by updating security policies, distributing policies to staff, and alerting staff of security related issues. (Finding Code No. 08-14, 06-20)

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H. **FINDING** (Noncompliance with the Fire Sprinkler Contractor Licensing Act)

During the prior examination, the Office did not timely notify licensees of the Office's intent to revoke licensure as required by the Fire Sprinkler Contractor Licensing Act (Act) (225 ILCS 317/70).

During the current examination, the Office sent notifications by certified mail to licensees of the Office's intent to revoke licensure as required by the Act for the sample of instances tested. (Finding Code No. 08-16, 06-25)

I. **FINDING** (Rules not established for the administration of the Fire Sprinkler Dormitory Revolving Loan Program)

During the prior examination, the Office failed to establish rules for the administration of the Fire Sprinkler Dormitory Revolving Loan Program as required by the Fire Sprinkler Dormitory Revolving Loan Program (110 ILCS 47/25).

During the current examination, the Office prepared rules for the administration of the Fire Sprinkler Dormitory Revolving Loan Program. These rules have been codified in the Illinois Administrative Code (74 Ill. Adm. Code 1100) and became effective on February 23, 2010. (Finding Code No. 08-17, 06-26)

J. **FINDING** (Lack of rules for the administration and enforcement of elevator installation standards)

During the prior examination, we noted that the Office did not adopt rules for the administration and enforcement of elevator installation standards pursuant to the Elevator Installation Act (Act) (430 ILCS 80/1 et seq).

During the current examination, we noted the Act was repealed effective July 23, 2009. (Finding Code No. 08-18, 06-23, 04-5, 02-7)

K. **FINDING** (Noncompliance with the Elevator Safety and Regulation Act)

During the prior examination, the Office did not develop an adequate enforcement program which met all requirements of the Elevator Safety and Regulation Act (Act).

During the current examination, we noted during our testing that the Office improved their enforcement program to include all requirements of the Act. (Finding Code. No 08-19)

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2010

- L. **FINDING** (Lack of appointed members on the State Fire Marshal’s Elevator Safety Board)

During the prior examination, the Office’s Elevator Safety Board (Board) had vacancies, allowed Board members to serve before formal appointment, and members were appointed for terms inconsistent with State statute.

During the current examination, the Board did not appear to have vacancies. All members appeared to have been formally appointed before attending Board meetings, and the members’ terms appeared to be consistent with State statute. (Finding Code No. 08-21)

- M. **FINDING** (Failure to implement changes to the Fire Equipment Exchange Program timely)

During the prior examination, we noted the Office did not timely implement changes to its Fire Equipment Exchange (FEE) Program as required by the State Fire Marshal Act (Act) (20 ILCS 2905/2.5(b)). We also noted the Office did not maintain the website for the FEE program separate from the Office’s main website as required by the Act.

During the current examination, we noted the Office complied with the Act by implementing necessary changes to its FEE program. We also noted the Office separated the FEE program website from its own website during the examination period. (Finding Code. No. 08-27)

- N. **FINDING** (Noncompliance with the Pyrotechnic Distributor and Operator Licensing Act)

During the prior examination, the Office did not comply with licensing and fee provisions of the Pyrotechnic Distributor and Operator Licensing Act (Act) (225 ILCS 227/30, 35, 50). Instances were noted where applicants received official or temporary licenses, despite deficiencies noted in their applications.

During the current examination, we noted the Office required all necessary documents before issuing licenses to applicants for the sample of applications tested. (Finding Code No. 08-29, 06-22)

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

- Schedule of Expenditures of Federal Awards
- Notes to the Schedule of Expenditures of Federal Awards
- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Receipts
- Analysis of Significant Lapse Period Spending
- Analysis of Accounts Receivable

- Analysis of Operations:

- Agency Functions and Planning Program
- Average Number of Employees
- Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Years Ended June 30, 2010
(In Thousands)

Federal Awards/Program Title	CFDA Number	2010	2009
Environmental Protection Agency:			
State and Tribal Underground Storage Tank Program	66.804	\$ 827	\$ 400
Total Expenditures of Federal Awards		\$ 827	\$ 400

Note: The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Fiscal Years Ended June 30, 2010

1. Significant Accounting Policies

(a) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents all the federal financial assistance programs of the State of Illinois, Office of the State Fire Marshal (Office), for the two years ended June 30, 2010.

(b) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is prepared on the cash basis of accounting.

2. Description of Grant Program

The following is a brief description of the grant program included in the Schedule of Expenditures of Federal Awards:

Underground Storage Tank Prevention, Detection and Compliance Program – CFDA #66.804

The Office received federal funds from the U.S. Environmental Protection Agency under Title I of the Solid Waste Disposal Act during Fiscal Years 2009 and 2010. The purpose of this program is to develop and implement the Underground Storage Tank Program in Illinois and for leak prevention and compliance.

3. Pass Through and Subrecipient Awards

All funds were received directly from U.S. Environmental Protection Agency. The Office did not provide any awards to subrecipients.

4. Noncash Awards

The Office did not receive any noncash awards.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2010

Fourteen Months Ended August 31, 2010

P.A. 96-0046	Appropriations		Approximate Lapse Period	Approximate	Approximate
FISCAL YEAR 2010	(Net of Transfers)	Expenditures Through June 30	Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed
Fund 047-Fire Prevention					
Division 01					
Personal Services	\$ 9,023,400	\$ 6,681,164	\$ 345,147	\$ 7,026,311	\$ 1,997,089
State Contribution to State					
Employees' Retirement System	2,560,600	1,897,783	98,024	1,995,807	564,793
State Contributions to Social Security	690,300	394,681	20,947	415,628	274,672
Group Insurance	1,908,000	1,334,458	62,803	1,397,261	510,739
Contractual Services	1,035,600	859,869	156,663	1,016,532	19,068
Travel	133,500	55,124	9,235	64,359	69,141
Commodities	87,100	47,811	7,086	54,897	32,203
Printing	42,500	17,154	2,307	19,461	23,039
Equipment	383,000	18,677	5,688	24,365	358,635
Electronic Data Processing	1,201,000	744,743	69,337	814,080	386,920
Telecommunications	194,100	172,952	21,044	193,996	104
Operation of Automotive Equipment	266,000	191,525	29,187	220,712	45,288
Refunds	6,000	4,025	60	4,085	1,915
Fire Prevention Training	66,000	1,166	-	1,166	64,834
Fire Prevention Awareness Program	80,000	34,973	3,338	38,311	41,689
Arson Education & Seminars	42,000	2,784	1,597	4,381	37,619
New Fire Chiefs Training	44,000	30,378	-	30,378	13,622
Hearing Officers	-	-	-	-	-
Elevator Safety and Regulation Act	475,000	469,960	-	469,960	5,040
Development of New Fire Districts	1,000	-	-	-	1,000
Life Safety Code Program	20,000	6,120	-	6,120	13,880
Risk Watch/Remember When Program	30,000	-	1,865	1,865	28,135
Chicago Fire Department Training Program	1,950,300	1,462,725	487,575	1,950,300	-
Participants in the State Training Programs	475,000	474,876	-	474,876	124
Regional Training Grants	950,000	432,002	42,998	475,000	475,000
Payments in Accordance with Public Act 93-0169	15,000	450	450	900	14,100
Development of Local Government Fire Prevention	-	-	-	-	-
ILEAS / MABAS Administration	125,000	-	125,000	125,000	-
Nite Grant Program	25,000	-	-	-	25,000
Equipment - Command Vehicle 0027	-	-	-	-	-
Division 89					
Public Safety Shared Services Center	\$ 780,900	\$ 499,604	\$ 57,421	\$ 557,025	\$ 223,875
Total Fund 047	\$ 22,610,300	\$ 15,835,004	\$ 1,547,772	\$ 17,382,776	\$ 5,227,524

Note A: Appropriations, expenditures, and lapsed balances were obtained directly from Office records, which have been reconciled to records of the State Comptroller.

Note B: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

Note C: Approximate lapse period expenditures do not include interest payments approved for payment by the Office and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2010

Fourteen Months Ended August 31, 2010

P.A. 96-0046	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Total Expenditures	Approximate Balances Lapsed
FISCAL YEAR 2010					
Fund 072-Underground Storage Tank					
Division 01					
Personal Services	\$ 1,787,000	\$ 1,189,136	\$ 75,688	\$ 1,264,824	\$ 522,176
State Contribution to State					
Employees' Retirement System	507,100	337,826	21,505	359,331	147,769
State Contributions to Social Security	136,800	88,047	5,609	93,656	43,144
Group Insurance	477,000	258,118	16,267	274,385	202,615
Contractual Services	368,900	89,627	-	89,627	279,273
Travel	15,000	2,627	517	3,144	11,856
Commodities	8,000	4,132	2,234	6,366	1,634
Printing	5,000	-	-	-	5,000
Equipment	38,079	308	-	308	37,771
Electronic Data Processing	29,579	7,081	-	7,081	22,498
Telecommunications	40,000	18,191	3,621	21,812	18,188
Operation of Automotive Equipment	83,200	62,189	6,002	68,191	15,009
Refunds	54,842	53,792	-	53,792	1,050
Expenses of Hearing Officers	-	-	-	-	-
State's Underground Storage Program	550,000	-	550,000	550,000	-
	<u>\$ 4,100,500</u>	<u>\$ 2,111,074</u>	<u>\$ 681,443</u>	<u>\$ 2,792,517</u>	<u>\$ 1,307,983</u>
Total Fund 072	<u>\$ 4,100,500</u>	<u>\$ 2,111,074</u>	<u>\$ 681,443</u>	<u>\$ 2,792,517</u>	<u>\$ 1,307,983</u>

Note A: Appropriations, expenditures, and lapsed balances were obtained directly from Office records, which have been reconciled to records of the State Comptroller.

Note B: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

Note C: Approximate lapse period expenditures do not include interest payments approved for payment by the Office and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2010

Fourteen Months Ended August 31, 2010

P.A. 96-0046	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Total Expenditures	Approximate Balances Lapsed
FISCAL YEAR 2010					
Fund 114-Emergency Response Reimbursement					
Division 01					
Hazardous Material Emergency Response Reimbursement	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Total Fund 114	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>
Fund 494-Cigarette Fire Safety Standard					
Division 01					
Fire Safety and Prevention Programs	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Total Fund 494	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>
Fund 510-Illinois Firefighters' Memorial					
Division 01					
Firefighters' Memorial	\$ 185,000	\$ 10,106	\$ 110,961	\$ 121,067	\$ 63,933
Total Fund 510	<u>\$ 185,000</u>	<u>\$ 10,106</u>	<u>\$ 110,961</u>	<u>\$ 121,067</u>	<u>\$ 63,933</u>
Fund 518-Fire Service and Small Equipment					
Division 01					
Small Equipment Grants	\$ 2,000,000	\$ -	\$ 1,994,147	\$ 1,994,147	\$ 5,853
Total Fund 580	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 1,994,147</u>	<u>\$ 1,994,147</u>	<u>\$ 5,853</u>

Note A: Appropriations, expenditures, and lapsed balances were obtained directly from Office records, which have been reconciled to records of the State Comptroller.

Note B: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

Note C: Approximate lapse period expenditures do not include interest payments approved for payment by the Office and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2010

Fourteen Months Ended August 31, 2010

P.A. 96-0046	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Total Expenditures	Approximate Balances Lapsed
FISCAL YEAR 2010					
Fund 580-Fire Prevention Division					
Division 01					
U.S. Resource Conservation and Recovery					
Act Underground Storage Program					
	\$ 1,787,500	\$ 832,750	\$ -	\$ 832,750	\$ 954,750
Total Fund 580	<u>\$ 1,787,500</u>	<u>\$ 832,750</u>	<u>\$ -</u>	<u>\$ 832,750</u>	<u>\$ 954,750</u>
Total Fiscal Year 2010	<u>\$ 30,693,300</u>	<u>\$ 18,788,934</u>	<u>\$ 4,334,323</u>	<u>\$ 23,123,257</u>	<u>\$ 7,570,043</u>

Note A: Appropriations, expenditures, and lapsed balances were obtained directly from Office records, which have been reconciled to records of the State Comptroller.

Note B: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

Note C: Approximate lapse period expenditures do not include interest payments approved for payment by the Office and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2009

Fourteen Months Ended August 31, 2009

P.A. 95-0731	Appropriations		Lapse Period	Total	Balances
FISCAL YEAR 2009	(Net of Transfers)	Expenditures Through June 30	Expenditures July 1 to August 31	Expenditures 14 Months Ended August 31	Lapsed August 31
Fund 047-Fire Prevention					
Division 01					
Personal Services	\$ 8,781,522	\$ 7,193,651	\$ 440,653	\$ 7,634,304	\$ 1,147,218
State Contribution to State					
Employees' Retirement System	1,666,000	1,518,399	92,822	1,611,221	54,779
State Contributions to Social Security	614,707	431,049	26,550	457,599	157,108
Group Insurance	2,043,600	1,464,657	64,830	1,529,487	514,113
Contractual Services	1,005,527	868,776	123,291	992,067	13,460
Travel	142,000	114,307	25,190	139,497	2,503
Commodities	87,100	47,272	19,779	67,051	20,049
Printing	42,500	17,429	484	17,913	24,587
Equipment	348,000	40,365	3,989	44,354	303,646
Electronic Data Processing	1,201,000	896,196	95,990	992,186	208,814
Telecommunications	190,100	161,709	25,818	187,527	2,573
Operation of Automotive Equipment	307,700	197,657	27,737	225,394	82,306
Refunds	6,000	2,150	3,754	5,904	96
Fire Prevention Training	66,000	25,424	7,376	32,800	33,200
Fire Prevention Awareness Program	80,000	49,077	172	49,249	30,751
Arson Education & Seminars	42,000	11,761	3,485	15,246	26,754
New Fire Chiefs Training	44,000	44,000	-	44,000	-
Hearing Officers	25,000	24,278	-	24,278	722
Elevator Safety and Regulation Act	450,000	446,775	-	446,775	3,225
Development of New Fire Districts	1,000	500	-	500	500
Life Safety Code Program	20,000	17,885	-	17,885	2,115
Risk Watch/Remember When Program	40,000	12,493	6,145	18,638	21,362
Chicago Fire Department Training Program	1,950,300	1,950,300	-	1,950,300	-
Participants in the State Training Programs	950,000	950,000	-	950,000	-
Regional Training Grants	475,000	351,890	123,110	475,000	-
Payments in Accordance with Public Act 93-0169	15,000	2,700	-	2,700	12,300
Development of Local Government Fire Prevention	498,500	-	498,500	498,500	-
ILEAS / MABAS Administration	125,000	109,331	15,669	125,000	-
NITE Grant Program	675,000	2,233	-	2,233	672,767
Equipment - Command Vehicle	342,346	-	-	-	342,346
Division 89					
Public Safety Shared Services Center	\$ 780,900	\$ 569,373	\$ 26,825	\$ 596,198	\$ 184,702
 Total Fund 047	 <u>\$ 23,015,802</u>	 <u>\$ 17,521,637</u>	 <u>\$ 1,632,169</u>	 <u>\$ 19,153,806</u>	 <u>\$ 3,861,996</u>

Note A: Appropriations, expenditures, and lapsed balances were obtained directly from Office records, which have been reconciled to records of the State Comptroller.

Note B: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2009

Fourteen Months Ended August 31, 2009

P.A. 95-0731	Appropriations		Lapse Period	Total	Balances
FISCAL YEAR 2009	(Net of Transfers)	Expenditures Through June 30	Expenditures July 1 to August 31	Expenditures 14 Months Ended August 31	Lapsed August 31
Fund 072-Underground Storage Tank					
Division 01					
Personal Services	\$ 1,676,863	\$ 1,306,927	\$ 85,395	\$ 1,392,322	\$ 284,541
State Contribution to State					
Employees' Retirement System	298,500	275,259	17,983	293,242	5,258
State Contributions to Social Security	111,000	97,247	6,323	103,570	7,430
Group Insurance	414,600	276,235	14,710	290,945	123,655
Contractual Services	268,900	258,048	-	258,048	10,852
Travel	12,000	11,966	-	11,966	34
Commodities	8,000	7,938	-	7,938	62
Printing	5,000	45	585	630	4,370
Equipment	61,500	31,719	-	31,719	29,781
Electronic Data Processing	53,000	41	-	41	52,959
Telecommunications	40,000	23,787	1,530	25,317	14,683
Operation of Automotive Equipment	80,000	77,497	468	77,965	2,035
Refunds	4,000	3,350	600	3,950	50
Expenses of Hearing Officers	75,000	72,115	-	72,115	2,885
State's Underground Storage Program	522,500	522,500	-	522,500	-
Total Fund 072	<u>\$ 3,630,863</u>	<u>\$ 2,964,674</u>	<u>\$ 127,594</u>	<u>\$ 3,092,268</u>	<u>\$ 538,595</u>

Note A: Appropriations, expenditures, and lapsed balances were obtained directly from Office records, which have been reconciled to records of the State Comptroller.

Note B: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2009

Fourteen Months Ended August 31, 2009

P.A. 95-0731	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
Fund 114-Emergency Response Reimbursement					
Division 01					
Hazardous Material Emergency Response Reimbursement	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Total Fund 114	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>
Fund 494-Cigarette Fire Safety Standard					
Division 01					
Fire Safety and Prevention Programs	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Total Fund 494	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>
Fund 510-Illinois Firefighters' Memorial					
Division 01					
Firefighters' Memorial	\$ 185,000	\$ 56,290	\$ 128,236	\$ 184,526	\$ 474
Total Fund 510	<u>\$ 185,000</u>	<u>\$ 56,290</u>	<u>\$ 128,236</u>	<u>\$ 184,526</u>	<u>\$ 474</u>

Note A: Appropriations, expenditures, and lapsed balances were obtained directly from Office records, which have been reconciled to records of the State Comptroller.

Note B: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2009

Fourteen Months Ended August 31, 2009

P.A. 95-0731	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
FISCAL YEAR 2009					
Fund 580-Fire Prevention Division					
Division 01					
U.S. Resource Conservation and Recovery					
Act Underground Storage Program					
	\$ 400,000	\$ 400,000	\$ -	\$ 400,000	\$ -
Total Fund 580	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ -</u>
 Total Fiscal Year 2009	 <u>\$ 27,241,665</u>	 <u>\$ 20,942,601</u>	 <u>\$ 1,887,999</u>	 <u>\$ 22,830,600</u>	 <u>\$ 4,411,065</u>

Note A: Appropriations, expenditures, and lapsed balances were obtained directly from Office records, which have been reconciled to records of the State Comptroller.

Note B: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	Fiscal Year		
	2010	2009	2008
	P.A. 96-0046	P.A. 95-0731	P.A. 95-0348
Fund 047-Fire Prevention			
Appropriations			
(Net of Transfers)	\$ 22,610,300	\$ 23,015,802	\$ 23,281,246
<u>Expenditures</u>			
Division 01			
Personal Services	\$ 7,026,311	\$ 7,634,304	\$ 7,602,446
State Contribution to State			
Employees' Retirement System	1,995,807	1,611,221	1,257,522
State Contributions to Social Security	415,628	457,599	454,742
Group Insurance	1,397,261	1,529,487	1,538,814
Contractual Services	1,016,532	992,067	827,013
Travel	64,359	139,497	127,832
Commodities	54,897	67,051	81,371
Printing	19,461	17,913	32,154
Equipment	24,365	44,354	187,764
Electronic Data Processing	814,080	992,186	1,115,492
Telecommunications	193,996	187,527	182,498
Operation of Automotive Equipment	220,712	225,394	308,979
Refunds	4,085	5,904	4,000
Fire Prevention Training	1,166	32,800	68,980
Fire Prevention Awareness Program	38,311	49,249	79,975
Arson Education & Seminars	4,381	15,246	39,723
New Fire Chiefs Training	30,378	44,000	44,000
Hearing Officers	-	24,278	25,000
Elevator Safety and Regulation Act	469,960	446,775	663,266
Development of New Fire Districts	-	500	-
Life Safety Code Program	6,120	17,885	20,000
Risk Watch/Remember When Program	1,865	18,638	33,745
Chicago Fire Department Training Program	1,950,300	1,950,300	1,950,300
Participants in the State Training Programs	474,876	950,000	1,000,000
Regional Training Grants	475,000	475,000	500,000
Payments in Accordance with Public Act 93-0169	900	2,700	2,968
Development of Local Government Fire Prevention	-	498,500	1,000,000
ILEAS / MABAS Administration	125,000	125,000	125,000
NITE Grant Program	-	2,233	590,719
Equipment - Command Vehicle	-	-	-
Division 89			
Public Safety Shared Services Center	\$ 557,025	\$ 596,198	\$ 618,624
Total Expenditures	\$ 17,382,776	\$ 19,153,806	\$ 20,482,927
Lapsed Balances	\$ 5,227,524	\$ 3,861,996	\$ 2,798,319

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	Fiscal Year		
	2010	2009	2008
	P.A. 96-0046	P.A. 95-0731	P.A. 95-0348
Fund 072-Underground Storage Tank			
Appropriations			
(Net of Transfers)	\$ 4,100,500	\$ 3,630,863	\$ 3,783,000
<u>Expenditures</u>			
Division 01			
Personal Services	\$ 1,264,824	\$ 1,392,322	\$ 1,464,169
State Contribution to State			
Employees' Retirement System	359,331	293,242	242,639
State Contributions to Social Security	93,656	103,570	109,304
Group Insurance	274,385	290,945	325,493
Contractual Services	89,627	258,048	270,900
Travel	3,144	11,966	13,592
Commodities	6,366	7,938	8,000
Printing	-	630	3,622
Equipment	308	31,719	18,168
Electronic Data Processing	7,081	41	106,414
Telecommunications	21,812	25,317	33,971
Operation of Automotive Equipment	68,191	77,965	60,000
Refunds	53,792	3,950	10,000
Expenses of Hearing Officers	-	72,115	75,000
State's Underground Storage Program	550,000	522,500	550,000
Total Expenditures	\$ 2,792,517	\$ 3,092,268	\$ 3,291,272
Lapsed Balances	\$ 1,307,983	\$ 538,595	\$ 491,728

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	Fiscal Year		
	2010	2009	2008
	P.A. 96-0046	P.A. 95-0731	P.A. 95-0348
Fund 114-Emergency Response Reimbursement			
Appropriations (Net of Transfers)	\$ 5,000	\$ 5,000	\$ 5,000
<u>Expenditures</u>			
Division 01			
Hazardous Material Emergency Response Reimbursement	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Fund 494-Cigarette Fire Safety Standard			
Appropriations (Net of Transfers)	\$ 5,000	\$ 5,000	\$ -
<u>Expenditures</u>			
Division 01			
Fire Safety and Prevention Program	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>
Fund 510-Illinois Firefighters' Memorial			
Appropriations (Net of Transfers)	\$ 185,000	\$ 185,000	\$ 185,000
<u>Expenditures</u>			
Division 01			
Firefighters' Memorial	\$ 121,067	\$ 184,526	\$ 95,892
Total Expenditures	\$ 121,067	\$ 184,526	\$ 95,892
Lapsed Balances	<u>\$ 63,933</u>	<u>\$ 474</u>	<u>\$ 89,108</u>
Fund 518-Fire Service and Small Equipment			
Appropriations (Net of Transfers)	\$ 2,000,000	\$ -	\$ -
<u>Expenditures</u>			
Division 01			
Small Equipment Grants	\$ 1,994,147	\$ -	\$ -
Total Expenditures	\$ 1,994,147	\$ -	\$ -
Lapsed Balances	<u>\$ 5,853</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	Fiscal Year		
	2010	2009	2008
	P.A. 96-0046	P.A. 95-0731	P.A. 95-0348
Fund 580-Fire Prevention Division			
Appropriations (Net of Transfers)	\$ 1,787,500	\$ 400,000	\$ 257,700
<u>Expenditures</u>			
Division 01			
U.S. Resource Conservation and Recovery Act Underground Storage Program	\$ 832,750	\$ 400,000	\$ 257,700
Total Expenditures	\$ 832,750	\$ 400,000	\$ 257,700
Lapsed Balances	\$ 954,750	\$ -	\$ -
Grand Total - All Funds			
Appropriations (Net of Transfers)	\$ 30,693,300	\$ 27,241,665	\$ 27,511,946
Total Expenditures	\$ 23,123,257	\$ 22,830,600	\$ 24,127,791
Lapsed Balances	\$ 7,570,043	\$ 4,411,065	\$ 3,384,155
Salaries from the Comptroller's Executive Salary Appropriation			
For the State Fire Marshal	\$ 76,626	\$ 115,613	\$ 111,381
Total Expenditures from the Comptroller's Executive Salaries Appropriation	\$ 76,626	\$ 115,613	\$ 111,381

Note: Fiscal Year 2010 expenditures and related lapsed balances do not reflect any interest payments approved for payment by the Office and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2010

	Equipment
Balance at July 1, 2008	\$ 6,345,476
Additions	603,534
Deletions	(302,460)
Net Transfers	(326,613)
Balance at June 30, 2009	\$ 6,319,937
Balance at July 1, 2009	\$ 6,319,937
Additions	208,294
Deletions	(287,981)
Net Transfers	(162,055)
Balance at June 30, 2010	\$ 6,078,195

Note: The above schedule has been derived from property records of the Office and year end property balances have been reconciled in all material respects to reports submitted to the Office of the Comptroller. However, we noted certain errors in Office property records (see Finding Code No. 10-11).

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ended June 30,

General Revenue Fund - Fund 001	2010	2009	2008
Boiler Receipts	\$ 1,542,916	\$ 1,596,503	\$ 1,465,588
Total - General Revenue Fund	<u>\$ 1,542,916</u>	<u>\$ 1,596,503</u>	<u>\$ 1,465,588</u>
Fire Prevention Fund - Fund 047			
Underground Storage Tank Permit Fees	\$ 479,600	\$ 479,750	\$ 619,500
Boiler Receipts	2,339,419	2,528,317	2,176,775
Subpoena & Miscellaneous Fees	-	250	729
Sprinkler Contractor License Fees	93,250	259,650	75,000
Fuel Hauler Fees	8,200	7,300	13,660
Fire Equipment Fees	83,430	84,500	82,945
Elevator Safety	1,069,080	984,410	780,083
Reimbursement/Jury Duty & Recoveries	1,598	1,062	34
Other State Agencies	60,000	10,000	10,000
State Certification Exam Fees	24,400	33,350	30,485
Pyrotechnic Distributor & Operator License Fees	41,435	56,355	13,325
Copy Fees (FOIA)	4,992	16,596	23,495
Elevator Safety Review Fines	3,000	-	-
Expert Witness Fees	698	-	-
Returned Checks	2,128	-	-
Error Correction	(4,081)	-	-
Refunds	-	-	25,649
Total - Fire Prevention Fund	<u>\$ 4,207,149</u>	<u>\$ 4,461,540</u>	<u>\$ 3,851,680</u>
Underground Storage Tank Fund - Fund 072			
Tank Registration	\$ 46,800	\$ 48,300	\$ 47,500
Subpoena Fees	25	-	632
Fines & Penalties	108,842	21,000	-
Reimbursement/Jury Duty & Recoveries	20	-	-
Environmental Protection Agency Grant	-	-	42,700
Total - Underground Storage Tank Fund	<u>\$ 155,687</u>	<u>\$ 69,300</u>	<u>\$ 90,832</u>
Fire Prevention Division Fund - Fund 580			
Environmental Protection Agency Grant	\$ 900,000	\$ 398,900	\$ 258,800
Total - Fire Prevention Division Fund	<u>\$ 900,000</u>	<u>\$ 398,900</u>	<u>\$ 258,800</u>
Grand Total - All Funds	<u>\$ 6,805,752</u>	<u>\$ 6,526,243</u>	<u>\$ 5,666,900</u>

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
**RECONCILIATION SCHEDULE OF CASH RECEIPTS
TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**
For the Fiscal Years Ended June 30,

<u>General Revenue Fund - Fund 001</u>	<u>2010</u>	<u>2009</u>
Receipts per Office Records	\$ 1,542,916	\$ 1,596,503
Add: Transfer by Office at end of period *	-	29,568
Add: Deposits in Transit, Beginning of Year	21,700	5,405
Less: Deposits in Transit, End of Year	<u>(69,255)</u>	<u>(21,700)</u>
Deposits Recorded by the Comptroller	<u>\$ 1,495,361</u>	<u>\$ 1,609,776</u>
<u>Fire Prevention Fund - Fund 047</u>		
Receipts per Office Records	\$ 4,207,149	\$ 4,461,540
Add: Prior Year Refunds	6,265	1,216
Less: Transfer by Office at end of period *	-	(24,718)
Less: Miscellaneous Adjustment	(15)	(23)
Add: Deposits in Transit, Beginning of Year	200,842	14,650
Less: Deposits in Transit, End of Year	<u>(122,204)</u>	<u>(200,842)</u>
Deposits Recorded by the Comptroller	<u>\$ 4,292,037</u>	<u>\$ 4,251,823</u>
<u>Underground Storage Tank Fund - Fund 072</u>		
Receipts per Office Records	\$ 155,687	\$ 69,300
Less: Transfer by Office at end of period *	-	(4,850)
Add: Prior Year Refunds	748	-
Add: Deposits in Transit, Beginning of Year	3,400	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>(3,400)</u>
Deposits Recorded by the Comptroller	<u>\$ 159,835</u>	<u>\$ 61,050</u>
<u>Fire Prevention Division Fund - Fund 580</u>		
Receipts per Office Records	\$ 900,000	\$ 398,900
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 900,000</u>	<u>\$ 398,900</u>

* During Fiscal Year 2009, the Office transferred \$24,718 from Fund 047 and \$4,850 from Fund 072 to Fund 001 to correct deposit errors.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2010

Significant variances in expenditures were determined to be changes of \$10,000 and at least 20% between fiscal years, and are explained below:

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009

Fire Prevention Fund – 047
Division 01

State Contribution to State Employees' Retirement System – State Contributions to State Employees' Retirement System costs increased during Fiscal Year 2010 due to the required contribution percentage increasing from 21.049% in Fiscal Year 2009 to 28.377% in Fiscal Year 2010.

Travel – Travel costs decreased during Fiscal Year 2010 due to agency self-imposed cost controls as a result of a \$10,400,000 fund transfer from the Fire Prevention Fund to the General Revenue Fund, as well as the agency's Management Plan. Travel costs were controlled, in part, by holding fewer agency conferences and staff trainings during Fiscal Year 2010.

Equipment – Equipment costs decreased during Fiscal Year 2010 due to the elimination of nearly all office furniture and office equipment purchases in Fiscal Year 2010.

Fire Prevention Training – Fire Prevention Training costs decreased during Fiscal Year 2010 due to agency self-imposed cost controls as a result of a \$10,400,000 fund transfer from the Fire Prevention Fund to the General Revenue Fund, as well as the agency's Management Plan. A majority of the appropriation for this line item was placed in reserve for Fiscal Year 2010.

Fire Prevention Awareness Program – Fire Prevention Awareness costs decreased during Fiscal Year 2010 due to agency self-imposed cost controls as a result of a \$10,400,000 fund transfer from the Fire Prevention Fund to the General Revenue Fund, as well as the agency's Management Plan. The agency greatly limited its participation and travel to the DuQuoin State Fair compared to Fiscal Year 2009.

Arson Education & Seminars – Arson Education & Seminars costs decreased during Fiscal Year 2010 due to agency self-imposed cost controls as a result of a \$10,400,000 fund transfer from the Fire Prevention Fund to the General Revenue Fund, as well as the agency's Management Plan. A majority of the appropriation for this line item was placed in reserve for Fiscal Year 2010.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2010

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009 (CONTINUED)

New Fire Chiefs Training – New Fire Chiefs Training costs decreased because the agency was not billed the full amount allowable under a memorandum of understanding between the agency and the Illinois Fire Chief’s Association (Association) due to fewer training sessions being held. The agency only pays out the amounts the Association invoices up to the appropriated amount.

Hearing Officers – Hearing Officers expenditures decreased due to the fact that this line item was eliminated in the Fiscal Year 2010 budget. Previously, this line item paid the partial salary of one legal staff who acted as a hearing officer on matters. For administrative ease, all salary and benefits costs of this individual were moved to regular personal services and related lines in Fiscal Year 2010.

Life Safety Code Program – Life Safety Code Program costs decreased during Fiscal Year 2010 due to agency self-imposed cost controls as a result of a \$10,400,000 fund transfer from the Fire Prevention Fund to the General Revenue Fund, as well as the agency’s Management Plan. A majority of the appropriation for this line item was placed in reserve for Fiscal Year 2010.

Risk Watch/Remember When – Risk Watch/Remember When costs decreased during Fiscal Year 2010 due to agency self-imposed cost controls as a result of a \$10,400,000 fund transfer from the Fire Prevention Fund to the General Revenue Fund, as well as the agency’s Management Plan. A majority of the appropriation for this line item was placed in reserve for Fiscal Year 2010.

Participants in State Training Programs – Participants in State Training Program costs decreased during Fiscal Year 2010 due to agency self-imposed cost controls as a result of a \$10,400,000 fund transfer from the Fire Prevention Fund to the General Revenue Fund, as well as the agency’s Management Plan. \$475,000 of the appropriation for this line item was placed in reserve for Fiscal Year 2010.

Development of Local Government Fire Prevention – Development of Local Government Fire Prevention expenditures decreased in Fiscal Year 2010 because this line item was moved to the Fire Service and Small Equipment Grant Fund.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2010

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009 (CONTINUED)

Underground Storage Tank – 072
Division 01

State Contribution to State Employees' Retirement System – State Contributions to State Employees' Retirement System costs increased during Fiscal Year 2010 due to the required contribution percentage increasing from 21.049% in Fiscal Year 2009 to 28.377% in Fiscal Year 2010.

Contractual Services – Contractual Services costs decreased in Fiscal Year 2010 due to contract costs being shifted to federal funds. The agency received an increased federal grant award for Fiscal Year 2010 for underground storage tank related activities.

Equipment – Equipment costs decreased during Fiscal Year 2010 due to the elimination of nearly all office furniture and office equipment purchases during Fiscal Year 2010.

Refunds – Refunds costs increased in Fiscal Year 2010 due to refunding part of a payment as part of a legal settlement.

Hearing Officers – Hearing Officers expenditures decreased due to the fact that this line item was eliminated in the Fiscal Year 2010 budget. Previously, the line item paid the partial salary of one legal staff who acted as a hearing officer on matters. For administrative ease, all salary and benefits costs of this individual were moved to regular personal services and related lines in Fiscal Year 2010.

Illinois Firefighters' Memorial – 510
Division 01

Firefighters' Memorial – Firefighters' Memorial costs decreased in Fiscal Year 2010 due to a one-time roof replacement project at the Illinois State Fire Museum in Fiscal Year 2009. This type of major repair did not occur again in Fiscal Year 2010.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2010

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009 (CONTINUED)

Fire Service and Small Equipment Grant – 518
Division 01

Small Equipment Grants – Small Equipment Grants costs increased in Fiscal Year 2010 because this was a new line item in Fiscal Year 2010. This program was previously funded from the Fire Prevention Fund.

Fire Prevention Division – 580
Division 01

U.S. Resource Conservation and Recovery Act Underground Storage Tank Program – U.S. Resource Conservation and Recovery Act Underground Storage Tank Program increased in Fiscal Year 2010 due to additional federal funds being made available in Fiscal Year 2010. The agency used the funds made available for personnel and related costs, as well as contracts related to the underground storage tank program.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2010

Significant variances in expenditures were determined to be changes of \$10,000 and at least 20% between fiscal years, and are explained below:

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2008

Fire Prevention Fund – 047
Division 01

State Contribution to State Employees' Retirement System – State Contributions to State Employees' Retirement System costs increased during Fiscal Year 2009 due to the required contribution percentage increasing from 16.561% in Fiscal Year 2008 to 21.049% in Fiscal Year 2009.

Contractual Services – Contractual Services costs increased during Fiscal Year 2009 due primarily to an increase in rent for agency offices, increased costs for copy machine maintenance and usage, an increase in payments to the Communication Revolving Fund, an increase in postage and shipping costs, and an increase in payments to hotels for non-state employees serving on agency committees.

Printing – Printing costs decreased during Fiscal Year 2009 due to the purchase of one-time items in FY 2008 that were not repeated in FY 2009, including supplies purchased in FY 2008 that lasted through FY 2009, as well as the elimination of printing of the Fire Marshal Newsletter.

Equipment – Equipment costs decreased in Fiscal Year 2009 because there were no vehicle purchases made.

Operation of Automotive Equipment – Operation of Automotive Equipment costs decreased in Fiscal Year 2009 primarily due to a reduction in the cost and consumption of fuel from Fiscal Year 2008 to Fiscal Year 2009.

Fire Prevention Training – Fire Prevention Training costs decreased in Fiscal Year 2009 due to a decrease in travel related costs paid from the line item. These costs primarily included a reduction in payments to hotels for training and conferences.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2010

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2008 (CONTINUED)

Fire Prevention Awareness Program – Fire Prevention Awareness Program costs decreased in Fiscal Year 2009 due to a decrease in travel costs paid from this line item, as well as one-time purchases of commodities for public education purposes completed in Fiscal Year 2008 that were not repeated in Fiscal Year 2009.

Arson Education & Seminars – Arson Education & Seminars costs decreased in Fiscal Year 2009 due to a reduction in payments for training from Fiscal Year 2008, as well as a one-time payment for postage in Fiscal Year 2008 that did not recur in Fiscal Year 2009.

Elevator Safety & Regulation Act – Elevator Safety & Regulation Act expenditures decreased in Fiscal Year 2009 because there were no vehicle purchases made in Fiscal Year 2009, a contract for temporary staffing services for short-term data entry in Fiscal Year 2008 was discontinued in Fiscal Year 2009, contract costs for the elevator licensing system decreased in Fiscal Year 2009, payments towards the yearly rent of agency facilities were not made from this line item in Fiscal Year 2009, Communications Revolving Fund Consolidation payments were not made from this line item in Fiscal Year 2009, there were one-time paper and printing costs made in Fiscal Year 2008 that were not repeated in Fiscal Year 2009, and a large postage purchase made in Fiscal Year 2008 was not repeated in Fiscal Year 2009.

Risk Watch/Remember When Program – Risk Watch/Remember When Program costs decreased in Fiscal Year 2009 due to a reduction in the number of conferences from Fiscal Year 2008 to Fiscal Year 2009.

Development of Local Government Fire Prevention – Development of Local Government Fire Prevention expenditures decreased in Fiscal Year 2009 because the appropriation for the program was reduced to \$498,500, from \$1,000,000 in Fiscal Year 2008, which resulted in a reduction in the number of grants awarded by the Office.

NITE Grant Program – NITE Grant Program expenditures decreased in Fiscal Year 2009 because there were no computer purchases made for fire departments in Fiscal Year 2009. All purchases had been completed by the end of Fiscal Year 2008.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2010

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2008 (CONTINUED)

Underground Storage Tank – 072
Division 01

State Contribution to State Employees' Retirement System – State Contributions to State Employees' Retirement System costs increased during Fiscal Year 2009 due to the required contribution percentage increasing from 16.561% in Fiscal Year 2008 to 21.049% in Fiscal Year 2009.

Equipment – Equipment costs increased in Fiscal Year 2009 due to a one-time purchase of gas meters/tank testers.

Electronic Data Processing – Electronic Data Processing expenditures decreased in Fiscal Year 2009 because a contract paid in Fiscal Year 2008 was completed and, thus, there were no contract costs in Fiscal Year 2009.

Operation of Automotive Equipment – Operation of Automotive Equipment costs increased in Fiscal Year 2009 primarily due to an increase in fuel and maintenance costs from Fiscal Year 2008 to Fiscal Year 2009.

Illinois Firefighters' Memorial – 510
Division 01

Firefighters' Memorial – Firefighters' Memorial costs increased in Fiscal Year 2009 due to a roof replacement project at the Illinois State Fire Museum in Fiscal Year 2009.

Fire Prevention Division – 580
Division 01

U.S. Resource Conservation and Recovery Act Underground Storage Tank Program – U.S. Resource Conservation and Recovery Act Underground Storage Tank Program increased in Fiscal Year 2009 due to additional federal funds being made available in Fiscal Year 2009. The agency used the funds made available for personnel and related costs in Fiscal Year 2009.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2010

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2010 AND 2009

Fire Prevention Fund – Fund 047

Sprinkler Contractor License Fees – Sprinkler Contractor License Fees decreased during Fiscal Year 2010 due to the biennial licensing cycle. The majority of licensees have expiration dates and are due for renewal during odd-numbered fiscal years.

Other State Agencies – The Office received a one-time federal grant in the amount of \$50,000 from the Department of Homeland Security via the Illinois Emergency Management Agency during Fiscal Year 2010. This type of funding was not received during Fiscal Year 2009.

State Certification Exam – Exams are given based on the number of requests the Office receives. Since fewer exams were requested in Fiscal Year 2010, there was a corresponding decrease in the amount of exam fees collected.

Pyrotechnic Distributor and Operator License Fees – Pyrotechnic Distributor and Operator License Fees decreased during Fiscal Year 2010 due to the triennial licensing cycle. The majority of licensees were originally issued licenses during Fiscal Year 2006 and were due for renewal during Fiscal Year 2009. As a result, fewer fees were collected during Fiscal Year 2010.

Copy Fees (FOIA) – The Office collects fees from persons requesting copies of information pursuant to the Freedom of Information Act, and the fees collected depend on the number of copy requests received. During Fiscal Year 2010, the Office received and processed fewer requests for information than during Fiscal Year 2009.

Fines and Penalties – Fines and penalties increased during Fiscal Year 2010 due to more fines and penalties being assessed and collected during the year. Fines and penalties vary depending upon the number of complaints received.

Fire Prevention Division Fund – Fund 580

Environmental Protection Agency Grant – The Office received an increased federal grant from the US Environmental Protection Agency (EPA) during Fiscal Year 2010 to help offset costs incurred during the year.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2010

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2009 AND 2008

Fire Prevention Fund – Fund 047

Underground Storage Tank Permit fees – Permits are not issued on a predictable basis and receipts are received as permits are applied for. In addition, underground storage tanks are driven by construction, development, and economic trends. Also, contamination and compliance with the law are factors. Further, the number of permits required by rule is falling. As a result, permit fees collected during Fiscal Year 2009 decreased when compared to Fiscal Year 2008.

Elevator Safety – During Fiscal Year 2009, there were more certificates and permits issued than during Fiscal Year 2008.

Sprinkler Contractor License Fees – Sprinkler Contractor License Fees increased during Fiscal Year 2009 due to the biennial licensing cycle. The majority of licensees have expiration dates and are due for renewal during odd fiscal years.

Pyrotechnic Distributor and Operator License Fees – The Pyrotechnic Distributor and Operator License Fee is renewed on a 3-year cycle. There were more renewals in Fiscal Year 2009 from Fiscal Year 2006 licenses.

Fuel Hauler Fees - Fuel hauler fees correspond with the number of requests the Office receives for them. Fewer fuel hauler permits were requested in Fiscal Year 2009 than in Fiscal Year 2008, resulting in a decrease in fees collected.

Underground Storage Tank Fund – Fund 072

U.S. EPA – During Fiscal Year 2008, the Office received federal funds from the U.S. Environmental Protection Agency into the Underground Storage Tank Fund. This was a one-time grant and was not received again during Fiscal Year 2009.

Fire Prevention Division Fund – Fund 580

Environmental Protection Agency Grant – The Office received an increased federal grant from the U.S. Environmental Protection Agency (EPA) during Fiscal Year 2009 to help offset costs incurred during the year.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2010

Lapse period spending exceeding 20% of total fiscal year expenditures is explained below:

FISCAL YEAR 2010

Fire Prevention Fund – 047

Division 01

Equipment – Lapse period spending was due to the purchase of an office chair and 15 mobile printers for the Arson Division that were made in June, but not billed until the lapse period.

Arson Education & Seminars – Lapse period spending was due to invoices from a Fire Investigation Conference attended by 7 arson investigators in June, as well as hotel bills for out-of-state travel for arson canine handlers to attend mandatory canine training in May, not being received until the lapse period.

Risk Watch/Remember When – Lapse period spending was due to payment of a hotel bill for a Risk Watch/Remember When Conference held in June that was not received until the lapse period.

Chicago Fire Department Training Program – Lapse period spending was due to the final invoice for reimbursement under the terms of the agreement between the agency and the Chicago Fire Department that was not received until the lapse period.

ILEAS/MABAS Administration – Lapse period spending was due to an invoice for reimbursement under the terms of the agreement between the agency and Mutual Aid Box Alarm System (MABAS) that was not received until the lapse period.

Underground Storage Tank – 072

Division 01

Chicago Underground Storage Tank Program - Lapse period spending was due to an invoice for reimbursement under the terms of the agreement between the agency and Chicago that was not received until the lapse period.

Illinois Firefighters' Memorial – 510

Division 01

Firefighters' Memorial – Lapse period spending was due to an invoice for reimbursement under the terms of the agreement between the agency and the Illinois Firefighter Memorial Foundation that was not received until the lapse period.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2010

FISCAL YEAR 2010 (CONTINUED)

Fire Service and Small Equipment Grant – 518
Division 01

Small Equipment Grants – Lapse period spending was due to applications for grants received late in the fiscal year. Payments for small equipment grants were made once the applications were reviewed and grant agreements were approved.

FISCAL YEAR 2009

Fire Prevention Fund – 047
Division 01

Commodities – Lapse period spending was mostly due to the purchase of necessary items late in the year, such as metal tags for hydro elevators and escalators, hexane gas calibration canisters for lower explosive limit (LEL) meters, printer cartridges for printers used by Arson Division to print photographs and other printer cartridges for the agency, and paint cans used for evidence collection by Arson investigators.

Refunds – Lapse period spending was due to the need to process refunds. Timing of refunds cannot be determined and they are processed as needed.

Fire Prevention Training – Lapse period spending was due to employee reimbursement for travel in May and June.

Arson Education & Seminars – Lapse period spending was due to membership dues invoiced in June, conference fees for June, training in June, June travel reimbursement, and reproduction services for a FOIA and subpoena request.

Risk Watch/Remember When – Lapse period spending was due to payment of a hotel bill for a Risk Watch/Remember When Conference held in June that was not received until the lapse period.

Regional Training Grants – Lapse period spending was due to an invoice for reimbursement under the terms of the agreement between the agency and the Illinois Fire Service Institute that was not received until the lapse period in August.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2010

FISCAL YEAR 2009 (CONTINUED)

Development of Local Government Fire Prevention – Lapse period spending was due to applications that were received late in the fiscal year. Payments for the development of local government fire prevention were made once the applications were reviewed and the grant agreements were approved.

Underground Storage Tank – 072
Division 01

Printing – Lapse period spending was due to the need to purchase stock for Certificates of Operation.

Illinois Firefighters' Memorial – 510
Division 01

Firefighters' Memorial – Lapse period spending was due to an invoice for reimbursement under the terms of the agreement between the agency and the Illinois Firefighter Memorial Foundation that was not received until the lapse period on July 31.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF ACCOUNTS RECEIVABLE

For the Fiscal Years Ended June 30,
(amounts expressed in thousands)

<u>Fire Prevention Fund - Fund 047</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Age</u>			
Current	\$ 425	\$ 609	\$ 420
1-30 days	35	65	46
31-90 days	51	86	53
91-180 days	36	45	60
181 days to 1 year	43	41	105
Over 1 year	<u>103</u>	<u>98</u>	<u>114</u>
Total	\$ 693	\$ 944	\$ 798
Less: Allowance for Doubtful Accounts	<u>146</u>	<u>139</u>	<u>114</u>
Net Accounts Receivable	<u>\$ 547</u>	<u>\$ 805</u>	<u>\$ 684</u>

These amounts represent receivables related to fees for boiler and pressure vessel safety inspections and elevator inspections performed by the Office.

Underground Storage Tank Fund - Fund 072

<u>Age</u>			
Current	\$ -	\$ -	\$ 8
1-30 days	2	-	-
31-90 days	2	-	2
91-180 days	-	-	-
181 days to 1 year	-	9	5
Over 1 year	<u>30</u>	<u>20</u>	<u>20</u>
Total	\$ 34	\$ 29	\$ 35
Less: Allowance for Doubtful Accounts	<u>-</u>	<u>-</u>	<u>3</u>
Net Accounts Receivable	<u>\$ 34</u>	<u>\$ 29</u>	<u>\$ 32</u>

These amounts represent receivables related to fees for the registration of underground storage tanks by the Office.

Note: The Office did not properly submit all eligible receivables for Comptroller's Offset. See Finding 10-10.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2010

AGENCY FUNCTIONS AND PLANNING PROGRAM

FUNCTIONS

The Office of the State Fire Marshal (Office) was created by the State Fire Marshal Act (Public Act 80-147), effective July 21, 1977.

The primary function of the Office is public safety. The Office's mission is to reduce death, injury and property loss of Illinois' citizens from fires, explosions and other hazards. The Office is charged with the enforcement of statutory safety requirements. The Office provides its services through the following operating divisions:

Arson Investigation: The Arson Investigation Division provides fire investigation and law enforcement services to the fire service and federal, state, and local law enforcement agencies throughout the State of Illinois through complete and thorough investigations, evidence collection, and professional expert testimony in court proceedings.

Fire Prevention: The Fire Prevention Division conducts inspections of state-owned/regulated facilities such as correctional facilities, day care homes and centers, state and county fairs, race tracks, permanently moored vessels, and residential facilities program. The division licenses Sprinkler Contractors, Fire Equipment Distributor and the Pyrotechnic industry and is also responsible for plan reviews to ensure compliance with the Life Safety Code to ensure adherence to all regulations.

Boiler and Pressure Vessel Safety: The Boiler and Pressure Vessel Safety Division conducts in-service inspections of pressure equipment to ensure the safety of boilers and pressure vessels used in schools, hospitals, chemical plants, government buildings and businesses throughout the State.

Petroleum and Chemical Safety: The Petroleum and Chemical Safety Division regulates underground storage tanks (USTs) containing petroleum and hazardous substances to protect public health and safety. The Office receives appropriations from the Underground Storage Tank fund for this division's operational expenses.

Personnel Standards and Education: The Personnel Standards and Education Division provides improvements in the levels of education and training for firefighters and professionals in Illinois.

Elevator Safety: The Elevator Safety Division provides public safety of life and limb and to promote public safety awareness.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2010

Management Services: The Management Services Division provides fiscal, data processing and statistical support and includes the accounting and budgeting functions of the Office. Data processing provides word processing support, division database systems support and maintenance of an electronic bulletin board information service among other services. The fire statistics section is responsible for the Office's participation in a uniform National Fire Incident Reporting System.

PLANNING PROGRAM

The Office has its own planning program. Short-term goals reflect the objectives of a more current nature to address improvements of deficiencies in programs that can be resolved at the agency level and within budgetary constraints. Some specific short-term goals identified by the Office include:

- Expansion of statewide public awareness and education programs in a cost effective manner.
- Expansion of electronic resources for the fire service.
- Upgrading of data processing systems to permit faster processing of permits, regulations, inspections and statistical reports.

The Office's long-range planning is accomplished via collaboration between executive staff and division directors. The committee is charged with developing goals for the Office and plans to attain those goals. The State Fire Marshal and executive staff monitor the goals with assistance from the division directors through monthly reporting. The long-range priorities of the Office have been identified as follows:

- Undertaking a comprehensive review of state statutes and administrative rules governing the Agency's divisions and advocate for important updates to better serve the public interest.
- Leading a comprehensive strategic planning process to include an evaluation of the Agency's mission and vision, while also integrating a structural reorganization to maximize staffing resources.
- Facilitating the development of a long-range strategic plan to address the evolving needs of the fire service in Illinois.
- Supporting the expansion of regional training for Illinois' firefighters.
- Further developing electronic training and educational resources.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2010

- Upgrading existing state-required codes to more recent editions to better protect the public.
- Expanding the resources available to local fire departments.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
AVERAGE NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2010

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Agency records, presents the average number of employees, by function, for the Fiscal Years ended June 30,

<u>Function</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Administration	23	27	25
Arson Investigation	20	21	24
Boiler and Pressure Vessel Safety	20	22	24
Elevator Safety	5	6	4
Fire Marshal (Comptroller payroll)	1	1	1
Fire Prevention	22	23	27
Homeland Security	1	1	1
Petroleum and Chemical Safety	19	19	27
Personnel Standards and Education	10	10	10
Public Education	5	5	6
Technical Services	4	4	6
Total average full-time employees	130	139	155

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Fiscal Years Ended June 30,

Arson Investigation Division

Mission Statement: To promote fire investigation and law enforcement services to the citizens of the State of Illinois through complete and thorough investigations, evidence collection and professional expert testimony in court proceedings.

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Investigations	1,260	1,247	1,521
Investigators as of June 30	20	20	18

Boiler and Pressure Vessel Safety Division

Mission Statement: To regulate the construction, installation, inspection and repair of boilers and pressure vessels to ensure conformity with all adopted safety codes and standards.

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Boiler and Pressure Vessel Safety Inspections:			
State Inspections	22,809	24,479	23,758
Insurance Inspections	<u>22,731</u>	<u>22,459</u>	<u>21,733</u>
Total Inspections	<u>45,540</u>	<u>46,938</u>	<u>45,491</u>
Investigators as of June 30	19	21	19
Required Inspections	42,000*	42,000*	38,598
Past due Inspections at June 30	2,422	1,928	1,101
Percent of Past Due Inspections	2.47%	1.97%	2.9%

*Amounts are estimated

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED), CONTINUED
For the Fiscal Years Ended June 30,

Fire Prevention Division

Mission Statement: To prevent the loss of life and damage to property through effective enforcement of State fire safety codes.

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Building Inspections	31,827	21,749	21,293
Building Inspectors as of June 30	23	26	14

Personnel Standards and Education Division

Mission Statement: To promote and protect the health, safety and welfare of the public and to encourage and aid municipalities, counties and other local governmental agencies by maintaining a high level of training for fire service personnel.

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Certifications	11,294	11,577	9,860
Examinations	12,608	12,672	11,673
Average number of employees as of June 30	10	10	9

The Personnel Standards and Education Division also provides reimbursements to local fire departments for part of their training costs.

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Recipients:			
Chicago	\$ 475,000	\$ 475,000	\$ 465,488
Other local departments	<u>0</u>	<u>498,500</u>	<u>534,512</u>
Appropriated expenditures	<u>\$ 475,000</u>	<u>\$ 973,500</u>	<u>\$ 1,000,000</u>

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED), CONTINUED
For the Fiscal Years Ended June 30,

The Task Reimbursement Committee established an alternate funding decision in 1998 to allow the Fire Service Institute to offer free non-reimbursable courses to the fire service, using an amount from the grant. This funding now comes from a separate appropriation. The Task Reimbursement Committee votes on the amount of money given to the Fire Service Institute each year before claims are processed.

Petroleum and Chemical Safety Division

Mission Statement: To protect the threat to human safety and contamination of the environment that can occur by the underground storage of petroleum products and other hazardous substances through prevention, education, and enforcement.

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Permits issued	304	371	385
UST Emergency responses and field investigations	538	648	761
Certification audits (initial visit)	3,015	3,048	3,143
Certification audits (multiple visit)	1,354	1,661	1,774
Notice of Violation	1,860	1,810	1,937
Underground Storage Tank (UST) inspections	5,949	6,661	6,498
Average number of employees as of June 30	27	27	27

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED), CONTINUED
For the Fiscal Years Ended June 30,

Elevator Safety Division

Mission Statement: To assure that conveyances are correctly and safely installed and operated within the State by regulating the design, installation, construction, operation, inspection, testing, maintenance, and alteration of conveyances. This is a new program which began in October 2006.

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total number of Contractor licenses issued	36	60	44
Total number of Inspector licenses issued	146	71	80
Total number of Mechanic licenses issued	319	1,302	259
Total number of Apprentice licenses issued	39	428	218
Average number of employees as of June 30	7	5	4