

**STATE OF ILLINOIS
STATE POLICE MERIT BOARD
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2008

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

TABLE OF CONTENTS

	<u>Page</u>
Board Officials	1
Management Assertion Letter	2
Compliance Report	
Summary	3
Accountant's Reports	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	5
Schedule of Findings	
Current Findings – State Compliance	8
Prior Findings Not Repeated	14
Supplementary Information for State Compliance Purposes	
Summary	15
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures and Lapsed Balances	16
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	18
Schedule of Changes in State Property	19
Analysis of Significant Variations in Expenditures	20
Analysis of Significant Lapse Period Spending	22
Analysis of Operations	
Board Functions and Planning Program	23
Average Number of Employees and Board Members	24
Service Efforts and Accomplishments (Not Examined)	24

AGENCY OFFICIALS

STATE POLICE MERIT BOARD

Executive Director (1/1/08 - present)

Mr. Ronald P. Cooley

Executive Director (12/2/85 – 12/31/07)

Mr. James Seiber

Fiscal Officer

Ms. Melinda Gutierrez

Board office is located at:
3180 Adloff Lane, Suite 100
Springfield, Illinois 62703



ILLINOIS STATE POLICE

Merit Board

3180 Adloff Lane, Suite 100
Springfield, Illinois 62703

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MANAGEMENT ASSERTION LETTER

January 13, 2009

Honorable William G. Holland
Auditor General
State of Illinois
Iles Park Plaza
740 East Ash
Springfield, IL 62703-3154

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Illinois State Police Merit Board. 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 State Police Merit Board's compliance with the following assertions during the two-year period ended June 30, 2008. Based on this evaluation, we assert that during the years ended June 30, 2008 and June 30, 2007, the State Police Merit Board has materially complied with the assertions below.

- A. The State Police Merit Board 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 Police Merit Board 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 Police Merit Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The money or negotiable securities or similar assets handled by the State Police Merit Board on behalf of the State or held in trust by the State Police Merit Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois State Police Merit Board

Ronald P. Cooley, Executive Director

Melinda Gutierrez, Chief Fiscal Officer

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 Findings</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	3	3
Repeated findings	1	2
Prior recommendations implemented or not repeated	2	0

Details of findings are presented in the separately tabbed report section of this report.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
08-1	8	Inadequate controls over personal services	Significant Deficiency and Noncompliance
08-2	11	Voucher processing weaknesses	Significant Deficiency and Noncompliance
08-3	13	Nonpayment of Communication Revolving Fund	Significant Deficiency and Noncompliance
PRIOR FINDINGS NOT REPEATED			
A	14	Inadequate controls over contractual services and expenditures	
B	14	Untimely filing of reports	

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on January 7, 2009. Attending were:

State Police Merit Board

Ronald P. Cooley, Director
Melinda Gutierrez, Fiscal Officer

Office of the Auditor General

Jane Clark, Manager
Tyrone Windett, Auditor
Megan Green, Auditor

Responses to the recommendations were provided on in correspondence dated January 7, 2009 by Melinda Gutierrez, Fiscal Officer.

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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 Illinois State Police Merit Board'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, 2008. The management of the Illinois State Police Merit Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois State Police Merit Board's compliance based on our examination.

- A. The Illinois State Police Merit Board 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 Illinois State Police Merit Board 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 Illinois State Police Merit Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. Money or negotiable securities or similar assets handled by the Illinois State Police Merit Board on behalf of the State or held in trust by the Illinois State Police Merit Board 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

the Illinois State Police Merit Board'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 Illinois State Police Merit Board's compliance with specified requirements.

As described in finding 08-1 in the accompanying schedule of findings, the Illinois State Police Merit Board did not comply with all applicable laws and regulations as listed in requirement C. Compliance with such requirements is necessary, in our opinion, for the Illinois State Police Merit Board to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the Illinois State Police Merit Board complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2008. However, the results of our procedures disclosed other 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 08-2 and 08-3.

Internal Control

The management of the Illinois State Police Merit Board 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 Illinois State Police Merit Board's internal control over compliance with the requirements listed in the first paragraph of this report in order to determine 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 the Illinois State Police Merit Board's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Illinois State Police Merit Board's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance with the requirements listed in the first paragraph of this report was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

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

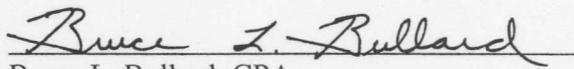
The Illinois State Police Merit Board's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Illinois State Police Merit Board's response and, accordingly, we express no opinion on it.

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 2007 and 2008 Supplementary Information for State Compliance Purposes, except for information on the 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 2006 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 the Illinois State Police Board Members, 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

January 13, 2009

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

08-1. **FINDING** (Inadequate controls over personal services)

The State Police Merit Board did not have adequate controls over its personal services function.

- The State Police Merit Board (Board) did not maintain time sheets in compliance with the State Officials and Employees Ethics Act (Act). We noted Board employees did not document on their timesheet that the time spent each day was on official State business. The time sheets also did not provide the total number of hours worked.

The Act requires the Board to adopt personnel policies consistent with the Act. The Act (5 ILCS 430/5-5(c)) states, "The policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business." In addition, good business practices would require the Board to report the total number of hours worked within the reporting period.

- The Board did not exercise adequate controls over employee attendance to ensure employees' work hours and benefit time were properly recorded and documented. We noted two of three (67%) employees' time sheets did not report accurate accruals of sick and vacation time earned and used. Vacation time accrued for the two employees totaled an overstatement of 22 hours. Sick time accrued for one of the two employees was overstated by 16.5 hours.

The Illinois Administrative Code (80 Ill. Adm. Code 303.340) implemented and authorized by the Personnel Code (20 ILCS 415/1 et seq.) states each operating agency shall maintain accurate, daily attendance records.

- The Board did not comply with Board rules in regards with requesting compensatory time. Board employees were preapproved for compensatory time verbally and not by written preapproval as required per Central Management Service (CMS) rules.

The Board adopted CMS rules and per CMS rule (Overtime, ch. 2, sec. 6) effective February 6, 2008, employees must complete and sign a Overtime Request and Report Form in advance, and the employee's immediate supervisor must review and approve the employee's request in advance.

- The Board did not complete all sections of the Board's Agency Workforce Report (report) filing for the two reports filed during the examination period. The fiscal year 2006 report due January 1, 2007 did not calculate percentages for specific categories. The fiscal year 2007 report due January 1, 2008 did not total specific columns. All sections for both reports should have been calculated and totaled.

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

The State Employment Records Act (5 ILCS 410 et seq.) requires State agencies to collect, classify, maintain, and report certain employment statistics for women, disabled, and minority groups.

- The Board did not conduct employee performance appraisals timely. We reviewed the annual performance appraisals for each of the Board's five employees for both years and noted the Board did not perform 6 of 10 (60%) annual performance appraisals in accordance with Illinois Administrative Code (Code) (80 Ill. Adm. Code 302.270). Two performance appraisals were 145 and 236 days late. The other four appraisals did not contain dates therefore it could not be determined when they were completed.

The Code requires the Board to prepare an evaluation on employees not less often than annually.

Board personnel stated the timesheet has been changed to meet the requirements of the Act. Also, Board personnel stated the evaluations and improper accruals were due to agency oversight and clerical errors.

Failure to ensure employee time sheets document the time spent each day was on official State business is noncompliance with the Act and totaling number of hours worked for the reporting period increases accountability. Failure to maintain adequate controls over employee attendance and compensatory records increases the risk of the Board paying for services not rendered by employees. Filing inaccurate Agency Workforce reports prevents fulfillment of the purpose of the State Employment Records Act, which is to provide information to help guide efforts to achieve a more diversified State work force. Lastly, performance appraisals are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance appraisals should serve as a foundation for salary adjustment, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. (Finding Code No. 08-1, 06-3)

RECOMMENDATION

We recommend the Board ensure timesheets are maintained in compliance with the State Officials and Employees Ethics Act. Further, the Board should ensure Agency Workforce reports are properly completed and should file corrected reports within 30 days of audit release as required by the Illinois State Auditing Act. Furthermore, we recommend the Board strengthen controls to ensure employees' work hours and benefit time are properly recorded and documented. Lastly, we recommend the Board perform appraisals timely for all employees and maintain a system of record keeping ensuring all evaluations are properly maintained.

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

BOARD RESPONSE

We agree and as of January 1, 2009 ISPMB will implement procedures to bring the Board into compliance.

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

08-2. **FINDING** (Voucher processing weaknesses)

The State Police Merit Board (Board) did not exercise adequate controls over voucher processing. We noted the following:

- Thirteen of 141 (9%) vouchers tested, totaling \$9,913, were approved for payment from one to 287 days late.

The Illinois Administrative Code (74 Ill. Adm. Code 900.70) requires an agency to review a 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.

- Four of 141 (3%) vouchers tested, totaling \$1,715, were not coded with the proper detail object code.

Statewide Accounting Management System (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 of 141 (1%) vouchers tested, totaling \$610, accrued a required interest payment of \$52 which was not paid by the Board.

The State Prompt Payment Act (30 ILCS 540/3-2) requires State agencies to determine whether interest is due and automatically pay interest penalties amounting to \$50 or more to the appropriate vendor when payment is not issued within 60 days after receipt of a proper bill.

Board personnel stated the vouchers were late due to waiting on the approval of line transfers from GOMB. Board personnel also stated interest was not paid and the improper detail object code was due to agency oversight.

Failure to promptly approve vouchers may result in late payment of bills to vendors and result in interest charges levied against the Board. Failure to pay interest charges is noncompliance with the State Prompt Payment Act. Inaccurate detail object codes reduce the overall accuracy expenditures and may lead to inappropriate expenditures not in line with the appropriated account authority. (Finding Code No. 08-2)

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

RECOMMENDATION

We recommend the Board comply with the Illinois Administrative Code, the State Prompt Payment Act, and SAMS procedures. We also recommend the Board implement controls to ensure vouchers are approved timely and paid within the required time frame, include interest, and ensure all vouchers contain complete and accurate information.

BOARD RESPONSE

We agree and ISPMB personnel works diligently to ensure vouchers are processed in a timely manner.

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

08-3. **FINDING** (Nonpayment of Communication Revolving Fund)

The State Police Merit Board (Board) failed to pay telecommunication invoices totaling \$3,225 for Fiscal Year 2008, in effect exceeding its appropriation by this amount for the fiscal year. The Board purchases telecommunication services from the Department of Central Management Services (DCMS) and is billed for the services through the communication revolving fund, which is accounted for as an Internal Service Fund.

During our testing, we noted the Board still owed the DCMS communications revolving fund \$3,225 after available funds had been used to pay fiscal year 2008 charges. We also noted the Board transferred funds totaling \$2,019 out of their telecommunication appropriation. The Board transferred \$1,284 to the personal services line item in late June and transferred \$735 to the contractual services line item in August, which was the fiscal year 2008 lapse period. If the Board had not transferred the funds and used the original amount appropriated to pay the DCMS revolving fund the Board would have only owed DCMS approximately \$1,206 as opposed to \$3,225.

The Administrative Code (Title 74, Section 1000.50 a & b) requires the user agencies to process payments within 30 days after physical receipt of internal service fund bills and to make reasonable efforts to review, approve, and pay all internal service fund bills in the fiscal year in which the liability was incurred. User agencies are not to leave internal service fund bills unpaid in order to circumvent fiscal year budgetary controls.

Board personnel stated they held certain revolving fund invoices to ensure sufficient funds were available to pay other expenditures.

The Board should have initiated reductions in other expenditure line items or reduced its phone usage to ensure compliance with the Administrative Code. The unpaid telecommunication invoices accounted for 24% of the Board's Fiscal Year 2008 telecommunication expenses. (Finding Code No. 08-3)

RECOMMENDATION

We recommend the Board timely process revolving fund invoices and initiate reductions in other line items to ensure sufficient funds to pay all expenditures.

BOARD RESPONSE

We agree and will take necessary measures to process revolving fund invoices in a timely manner.

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2008

A. **FINDING** (Inadequate controls over contractual services and expenditures)

During the prior period, the Board did not have adequate controls over its contractual service expenditures. Specifically, the Board expended \$53,290 and \$9,192 with two separate vendors for professional legal services without a contractual agreement.

During the current period, all Board expenditures tested for professional legal services requiring a contractual agreement had written contracts on file. (Finding Code No. 06-1)

B. **FINDING** (Untimely filing of reports)

During the prior period, the Board did not timely file its administrative reports as required.

During the current period, the Board did not file all administrative reports as required. However all reports were filed and the days late decreased therefore the issue is reported in our letter of Immaterial Findings. (Finding Code 06-2)

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 Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Schedule of Changes in State Property
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending

- Analysis of Operations:

- Board Functions and Planning Program
- Average Number of Employees and Board Members
- 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
STATE POLICE MERIT BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2008

P.A. 95-0348 FISCAL YEAR 2008	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
Fund Name - General Revenue Fund -001						
Personal Services	\$ 406,751	\$ 385,855	\$ 20,890	\$ 406,745	\$	6
State Contribution to State						
Employees' Retirement System	67,082	63,790	3,292	67,082		0
State Contributions to Social Security	30,703	29,116	1,586	30,702		1
Contractual Services	385,426	375,368	9,976	385,344		82
Travel	8,479	8,479	0	8,479		0
Commodities	5,757	5,514	242	5,756		1
Printing	3,116	3,116	0	3,116		0
Equipment	0	0	0	0		0
Electronic Data Processing	7,857	7,857	0	7,857		0
Telecommunications	9,981	9,928	52	9,980		1
Operation of Automotive Equipment	6,248	5,715	532	6,247		1
Total Fiscal Year 2008	\$ 931,400	\$ 894,738	\$ 36,570	\$ 931,308	\$	92

Note: Appropriations, expenditures, and lapsed balances were obtained from Board records and have been reconciled to records of the State Comptroller

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2007

P.A. 94-798 FISCAL YEAR 2007	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
Fund Name - General Revenue Fund -001					
Personal Services	\$ 356,600	\$ 302,628	\$ 19,468	\$ 322,096	\$ 34,504
State Contribution to State Employees' Retirement System	41,100	35,049	2,271	37,320	3,780
State Contributions to Social Security	24,037	22,552	1,484	24,036	1
Contractual Services	379,732	352,520	27,212	379,732	0
Travel	9,814	7,967	1,847	9,814	0
Commodities	6,077	5,413	663	6,076	1
Printing	7,142	7,141	0	7,141	1
Equipment	1,824	268	1,555	1,823	1
Electronic Data Processing	12,470	8,874	3,595	12,469	1
Telecommunications	12,541	11,547	993	12,540	1
Operation of Automotive Equipment	5,813	5,467	346	5,813	0
Total Fiscal Year 2007	\$ 857,150	\$ 759,426	\$ 59,434	\$ 818,860	\$ 38,290

Note: Appropriations, expenditures, and lapsed balances were obtained from Board records and have been reconciled to records of the State Comptroller

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND
LAPSED BALANCES**
For the Fiscal Year Ended June 30,

	Fiscal Year		
	2008	2007	2006
Fund Name - General Revenue Fund -001	P.A. 95-0348	P.A. 94-798	P.A. 94-0015
<hr/>			
Appropriations (Net of Transfers)	\$ 931,400	\$ 857,150	\$ 910,400
<hr/>			
<u>Expenditures</u>			
Personal Services	\$ 406,745	\$ 322,096	\$ 304,000
State Contribution to State			
Employees' Retirement System	67,082	37,320	23,759
State Contributions to Social Security	30,702	24,036	22,787
Contractual Services	385,344	379,732	453,565
Travel	8,479	9,814	13,149
Commodities	5,756	6,076	5,100
Printing	3,116	7,141	1,856
Equipment	0	1,823	5,055
Electronic Data Processing	7,857	12,469	7,288
Telecommunications	9,980	12,540	12,980
Operation of Automotive Equipment	6,247	5,813	5,634
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 931,308	\$ 818,860	\$ 855,173
	<hr/>	<hr/>	<hr/>
Lapsed Balances	\$ 92	\$ 38,290	\$ 55,227
	<hr/>	<hr/>	<hr/>
Appropriation to Comptroller's Office for Merit Board Member's Salaries	\$ 114,400	\$ 105,800	\$ 101,000
Board Member Salaries	86,640	83,980	79,992
	<hr/>	<hr/>	<hr/>
Lapse Balances	\$ 27,760	\$ 21,820	\$ 21,008
	<hr/>	<hr/>	<hr/>

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Fiscal Year Ended June 30, 2008

	Equipment
Balance at July 1, 2006	\$ 201,750
Additions	2,753
Deletions	0
Net Transfers	37,242
Balance at June 30, 2007	\$ 241,745
Balance at July 1, 2007	\$ 241,745
Additions	6,011
Deletions	0
Net Transfers	(64,740)
Balance at June 30, 2008	\$ 183,016

Note: The above schedule has been derived from Board records which have been reconciled to property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2008

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2008 AND 2007

General Revenue Fund (001)

Personal Services

The increase in personal services expenditures was due to an employee lump sum payment, bonuses paid to employees, and annual employee pay raises.

State Contribution to State Employees' Retirement System

The increase in State Contributions to State Employees' Retirement System expenditures was due to an overall State employee retirement rate increase from 11.525% in FY07 to 16.561% in FY08, plus an employee lump sum payment.

State Contributions to Social Security

The increase in State Contributions to Social Security expenditures was due to an employee lump sum payment, bonuses paid to employees, and annual employee pay raises.

Printing

The decrease in printing expenditures was due to the purchase of informational cards distributed to Illinois State Police officers in FY07 but not FY08.

Equipment

The decrease in equipment expenditures was due to the Agency not receiving an appropriation for equipment in FY08.

EDP

The decrease in EDP expenditures was due to the purchase of computers and a server in FY07 that did not reoccur in FY08.

Telecommunications

The decrease in telecommunications expenditures was due to budgetary shortages in specific General Revenue Fund appropriation lines.

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2008

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2007 AND 2006

General Revenue Fund (001)

State Contribution to State Employees' Retirement System

The increase in State Contributions to State Employees' Retirement System expenditures in FY07 was due to an overall State employee retirement rate increase from 7.792% in FY06 to 11.525% in FY07.

Travel

The decrease in travel expenditures was due to less recruiting and a biennial promotional exercise performed in FY06 which did not reoccur in FY07.

Printing

The increase in printing expenditures was due to the purchase of informational cards distributed to Illinois State Police officers.

Equipment

The decrease in equipment expenditures was due to the purchase of cameras in FY06 for an assessment exercise for higher-ranking officers that did not reoccur in FY07.

Electronic Data Processing

The increase in EDP expenditures was due to the purchase of computers and a server to replace outdated equipment.

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2008

FISCAL YEAR 2007

Equipment

Equipment expenditures totaling \$1,555 during the lapse period were primarily due to the delay in the approval of an appropriation transfer late in the fiscal year. The related invoices were not processed until the lapse period.

Electronic Data Processing

Electronic Data Processing expenditures totaling \$3,595 during the lapse period were primarily due to the delay in the approval of an appropriation transfer late in the fiscal year. The related invoices were not processed until the lapse period.

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

BOARD FUNCTIONS AND PLANNING PROGRAM

Board Functions

The Illinois State Police Merit Board (Board) was established in 1949 by the State Police Act (20 ILCS 2610/3), and was reorganized July 1, 1977 to consist of five members who are appointed by the Governor and approved by the Senate for six-year terms.

The Board operates to certify Illinois State Police Officers for appointment and promotion. The Board was also created to act as a hearing agency over issues related to discipline, removal, demotion, and suspension of Illinois State Police Officers.

The members of the Illinois State Police Merit Board as of June 30, 2008 were:

- John Rednour, Chairman
- Kenneth Schloemer, Secretary
- Richard Joutras
- Arthur Smith
- Niranjana Shah

Board Planning Program

The Board has established a Strategic Plan to address the three functions of the State Police Merit Board: certification for appointment, promotion and discipline. The Board's Strategic Plan emphasizes higher standards in performing its three functions.

Analyses are performed regularly to uncover any adverse impacts presented by the tests, and to validate the exams ability to properly test candidates for appointment and promotion. Long range planning over disciplinary procedures aims to tighten the time frames from when a petition for appeal is received to the time the case is closed.

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

AVERAGE NUMBER OF EMPLOYEES AND BOARD MEMBERS

The following table, prepared from Board records, presents the average number of employees and Board Members for the fiscal years ended June 30,

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Employees	5	5	5
Board Members	5	5	5

SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)

The Board hears disciplinary cases against sworn officers brought by the Department of State Police. These cases can be initiated by complaints within the Department of State Police or from complaints by citizens to the Department of State Police. A three-year comparison of the status of cases brought before the Board follows:

	June 30,		
	2008	2007	2006
New Cases brought before the Board	9	9	17
Cases settled without a hearing	5	12	11
Cases settled with a formal hearing	2	2	6
Cases pending at year end	9	7	12

The Board collects acceptable pre-employment inquiry cards and electronic applications during each fiscal year. Pre-employment inquiry cards and electronic applications collected in one fiscal year are used to select candidates for cadet training provided by the Department of State Police in the following fiscal year. Below is a comparison of the number of acceptable applications, the number of applicants certified to each cadet class, and the number of graduating applicants certified to each cadet class conducted during the fiscal years 2008, 2007 and 2006.

STATE OF ILLINOIS
STATE POLICE MERIT BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

	Fiscal Year		
	2008	2007	2006
Number of acceptable applications received	2,497	2,810	1,517
Number of applicants certified to cadet class #112			80
Graduating applicants certified to cadet class #112		54	
Number of applicants certified to cadet class #113			70
Graduating applicants certified to cadet class #113		51	
Number of applicants certified to cadet class #114		52	
Graduating applicants certified to cadet class #114	35		
Number of applicants certified to cadet class #115		80	
Graduating applicants certified to cadet class #115	65		
Number of applicants certified to cadet class #116	122		
Graduating applicants certified to cadet class #116	*		

* Applicants certified to cadet class #116 will not graduate until Fiscal Year 2009.