

REPORT DIGEST

**OFFICE OF THE COMPTROLLER
FISCAL OFFICER RESPONSIBILITIES
FINANCIAL AND COMPLIANCE AUDIT
FOR THE YEAR ENDED JUNE 30, 1992**

INTRODUCTION

Our 1992 audit of the Comptroller's Fiscal Officer Responsibilities is presented in two parts. The compliance part, with our findings and recommendations, is presented in one document. The financial part, with our opinions on the financial statements, is presented in the State Comptroller's "Illinois Annual Report".

COMPLIANCE AUDIT FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

NEED TO UPDATE STATE ACCOUNTING SYSTEM

The Comptroller's Office needs to make significant upgrades to its current CUSAS (Comptroller's Uniform Statewide Accounting System) procedures to reduce inefficiencies. CUSAS was developed in 1974 and is in need of revision. Two examples of the inefficiencies we noted are the costs necessary to process additional expenditure documents. In one instance, multiple invoice-vouchers must be prepared and warrants processed when an expenditure relates to multiple appropriation line items. In the other instance, a warrantless process is not utilized to settle obligations between State agencies or to process agencies' transactions with various revolving funds. (Finding 1, page 7)

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

Comptroller officials stated they agree with our recommendation. The Agency believes the efficiencies which would be realized by the capability for multiple appropriation account distribution on vouchers, a warrantless payment system for interagency transactions, and many other enhancements identified by Comptroller personnel justify the cost of system redesign.

The Comptroller's officials also stated the Agency will continue to upgrade the current system in all ways deemed possible and appropriate, recognizing the limitations of the original system's design. Also, the Agency is pursuing funding for a modern, new and more comprehensive approach to improving the accounting operations of State government. The Comptroller's officials stated the approach will provide the technological capability to incorporate many of the processing efficiencies that were introduced long ago in the private sector, and have long been the hallmark of the financial industry.

OTHER FINDINGS

The remaining findings are less significant and have been given appropriate attention by the Comptroller's Office. We will review the Office's progress towards implementation of our recommendations in our next audit.

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

FINANCIAL AUDIT OPINIONS

The combined general purpose financial statements of the State of Illinois present fairly the financial position of the State at June 30, 1992, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our reports also include the traditional cash basis budgetary financial statements of fund balances and receipts and expenditures at June 30, 1992, relating to the Fiscal Officer Responsibilities of the Comptroller, which present fairly the budgetary fund balances, budgetary receipts and expenditures, and changes in budgetary fund balances.

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

WILLIAM G. HOLLAND, Auditor General

WGH:KMM:pp

SUMMARY OF AUDIT FINDINGS

<u>Number of This Audit</u>	<u>Prior Audit</u>
Audit findings	34
Repeated audit findings	23
Prior recommendations implemented or not repeated	21

SPECIAL ASSISTANT AUDITORS

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