

REPORT DIGEST

ILLINOIS STATE BOARD OF EDUCATION FINANCIAL AND COMPLIANCE AUDIT (In accordance with the Single Audit Act of 1984 and OMB Circular A-128) For the Two Years ended June 30, 1992

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

NEED TO PREPARE A REPORT OF ALL STATE MANDATES APPLICABLE TO SCHOOLS

The Board has not prepared an annual listing of all State mandates applicable to the common schools, nor has the Board filed this report with the General Assembly by March 1, 1992, as required by State law.

Article 2 of the Illinois School Code (105 ILCS 5/2-3.104 (1992)) states that the Board "shall prepare an annual report listing all State mandates applicable to the common schools during the year covered by the report... Each annual report... shall be filed ... with the General Assembly on or before March 1".

The Board has questioned the feasibility of the report which is specified in the statute. The statute requires that all mandates be listed with the date the mandate became effective and the cost of implementing the mandate during the year covered by the report. Board officials believe that this information would be very difficult to obtain and it would take years to compile the necessary historical data. Thus, Board officials have submitted a proposal to the original sponsors of the legislation in an effort to clarify certain specifications of the law.

We recommended that the Board prepare this report of mandates as required by the Illinois School Code or seek to have the requirement amended in the statutes. (Finding No. 2, page 11)

Board officials stated that they have reached an agreement with the sponsors of the legislation

which would result in a modification of the scope of the report. Completion of the modified report is planned for early 1993. We recommend that, if the modification is satisfactory, the Board seek legislation to revise the statutory requirement accordingly.

NEED TO DESIGN OR DEVELOP SUPPORTED EMPLOYMENT SERVICE GUIDELINES FOR DISABLED CHILDREN

The Board has not designed or developed supported employment service guidelines for disabled children who are 16 years of age or older as required by State law.

Article 14 of the Illinois School Code (105 ILCS 5/14-8.04 (1992)) states that "Supported employment services made available as part of transition planning under this Section shall be designed and developed for school boards by the State Board of Education, in consultation with programs such as Project CHOICES (Children Have Opportunities In Integrated Community Environments), parents and advocates of children with disabilities, and the Departments of Central Management Services and Rehabilitation Services, and shall be maintained and operated in such manner as to coordinate with supported employee programs administered under the Supported Employees Act".

We recommended that the Board consult with the other responsible parties (as indicated in the statute) and design and develop these services for the school boards. (Finding No. 3, page 12)

Board officials stated that, to date, no communication has been received from the other parties involved and that they have not received any requests from school districts concerning this matter. Efforts to comply with the recommendation will continue.

NONCOMPLIANCE WITH CERTAIN PROVISIONS OF THE DRIVER EDUCATION ACT

The Board did not transmit information associated with school districts' reimbursement claims for driver's education courses to the Secretary of State as required by State law.

The Driver Education Act entitles school districts to be reimbursed for certain pupils who complete classroom instruction, or the practice driving part of a driver's education course that meets the minimum requirements of the Driver Education Act. Reimbursements are made by the Board to school districts from the Driver's Education Fund in the State Treasury.

The Driver Education Act requires the Board to transmit a copy of each claim for reimbursement to the Secretary of State, who is required to determine whether each person listed as finishing the entire course has obtained a license.

In discussions with Board officials they indicated that when the law was changed in the early 1970's to require completion of driver's education training in order to receive a driver's license if a person is under 18 years old, this paragraph of the law should have been deleted.

We recommended that the Board determine if this information is still necessary. If the law is no longer necessary then the Board should take the necessary steps to have the statute deleted; if it is deemed necessary, we recommend that the Board comply with the statute. (Finding No. 8, page 17)

Board officials stated they will implement the recommendation.

NEED TO SUBMIT A STATEMENT TO THE GOVERNOR SHOWING BY ITEM THE AMOUNT OF FEES COLLECTED

The Board does not submit a semi-annual statement, under oath, to the Governor, showing by item the amount of fees collected.

The Fees and Salaries Act (30 ILCS 220/11 (1992)) requires the Board to pay all fees collected to the State treasury and to submit semi-annually, on or before the first day of April and October, a statement filed, under oath, with the Governor showing, by item, the amount of fees collected, with a receipt from the Treasurer for the same.

We recommended that the Board either comply with the law or seek legislative remedy to have the statute appropriately amended to delete the filing requirement with the Governor. (Finding No. 10, page 20)

Board officials responded that they would implement the recommendation.

NEED TO IMPROVE UPON THE TIMELY REVIEW OF SCHOOL DISTRICT AUDITS

The Board has not reviewed school districts' audit reports on a timely basis as required by federal regulations. OMB Circular A-128 requires the Board to ensure that appropriate corrective action is taken within six months after receipt of the audit report in instances of noncompliance with federal laws and regulations.

As of August 1992, the Internal Audit Department had not completed the applicable checklists documenting the review of approximately 553 subrecipient audit reports. However, the Internal Audit Department does review all noncompliance audit findings and submits these findings to the appropriate program managers. It is the program manager's responsibility to follow up and resolve all noncompliance findings. The Internal Audit Department does not have a system in place to ensure that all findings are actually resolved within six months.

We recommended the Internal Audit Department perform a timely detailed review of all subrecipient audit reports, complete the necessary audit report review checklists, and ensure that appropriate corrective action is taken within six months after receipt of an audit report. (Finding No. 35, page 194)

Agency officials stated that they would continue their efforts to fully implement this recommendation.

OTHER FINDINGS

The remaining findings and recommendations are less significant and are being given appropriate attention by the Board. We will review progress towards implementing the recommendations during the Board's next audit.

Mr. Don Drone, Internal Auditor, furnished the Board's responses to our findings and recommendations.

AUDITORS' OPINION

Our auditors state that the June 30, 1992 and June 30, 1991 financial statements of the Board are fairly presented.

WILLIAM G. HOLLAND, Auditor General

WGH:BLB:pp

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Findings	2131	
Repeated Findings	119	
Prior Findings Implemented or not Repeated	2015	

SPECIAL ASSISTANT AUDITORS

Geo. S. Olive & Co. were our special assistant auditors for this audit.