

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR**

**COMPLIANCE EXAMINATION**

**For the Two Years Ended June 30, 2019**

**Performed as Special Assistant Auditors  
For the Auditor General, State of Illinois**



**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

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**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

**AGENCY OFFICIALS**

Lieutenant Governor (01/14/19 – Present)	Ms. Juliana Stratton
Lieutenant Governor (07/01/17 – 01/13/19)	Ms. Evelyn Sanguinetti
Chief of Staff (01/14/19 – Present)	Mr. Charles Watkins
Chief of Staff (07/01/17 – 01/13/19)	Mr. Brian Colgan
Deputy Chief of Staff (01/14/19 – Present)	Ms. Teresa Reyes
Deputy Chief of Staff (12/08/19 – 01/13/19)	Vacant
Deputy Chief of Staff (07/01/17 – 12/07/18)	Mr. Brian Costin
General Counsel (01/14/19 – Present)	Ms. Dartesia Pitts
General Counsel (09/27/18 – 1/13/19)	Mr. Jesus Reyes
General Counsel (07/29/17 – 09/26/18)	Vacant
General Counsel (07/01/17 – 7/28/17)	Ms. Ennedy Rivera
Fiscal Officer	Ms. Jessica Allen

**AGENCY OFFICES**

The Office of the Lieutenant Governor’s primary administrative offices are located at:

James R. Thompson Center  
100 West Randolph Street, Suite 15-200  
Chicago, Illinois 60601

214 State House  
Springfield, Illinois 62706



**JULIANA STRATTON**

LIEUTENANT GOVERNOR  
STATE OF ILLINOIS

MANAGEMENT ASSERTION LETTER

February 14, 2020

West & Company, LLC  
Certified Public Accountant  
919 E. Harris Avenue  
Greenville, IL 62246

Ladies and Gentlemen:

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 State of Illinois, Office of the Lieutenant Governor. 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 of Illinois, Office of the Lieutenant Governor's compliance with the following specified requirements during the two years period ended June 30, 2019. Based on this evaluation, we assert that during the years ended June 30, 2018, and June 30, 2019, the State of Illinois, Office of the Lieutenant Governor has materially complied with the specified requirements listed below.

- A. The State of Illinois, Office of the Lieutenant Governor 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 Lieutenant Governor 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 Lieutenant Governor has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

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Springfield, Illinois 62706  
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James R. Thompson Center  
100 W. Randolph St, Ste. 15-200  
Chicago, Illinois 60601  
Phone: 312.814.5240  
Fax: 312.814.5228

Yours truly,

Office of the Lieutenant Governor

**SIGNED ORIGINAL ON FILE**

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Ms. Juliana Stratton, Lieutenant Governor

**SIGNED ORIGINAL ON FILE**

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Ms. Jessica Allen, Fiscal Officer

**SIGNED ORIGINAL ON FILE**

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Ms. Dartesias Pitts, Esq, General Counsel

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

**COMPLIANCE REPORT**

**SUMMARY**

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

**ACCOUNTANT’S REPORT**

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

**SUMMARY OF FINDINGS**

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

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Last Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2019-001	9	New	Failure to maintain proper controls over personal services functions	Material Weakness and Material Noncompliance
2019-002	14	New	Failure to enter into an intergovernmental agreement	Significant Deficiency and Noncompliance
PRIOR FINDINGS NOT REPEATED				
A	15	2017	Untimely filing of reports	

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Office personnel at an exit conference on February 6, 2020.

Attending were:

Office of the Lieutenant Governor

Ms. Dartesia Pitts, Esq., General Counsel  
Ms. Valarie Rand, Chief Operating Officer  
Ms. Teresa Reyes, Deputy Chief of Staff  
Ms. Jessica Allen, Fiscal Officer

Office of the Auditor General

Ms. Jennifer Rankin, Audit Manager  
Mr. Miguel Villarreal, Auditor I  
Ms. Gabrielle Jones, Audit Intern

West & Company, LLC – Special Assistant Auditors

Ms. Janice Romack, Partner  
Mr. Michael Lawler, Manager

The responses to the recommendations were provided by Dartesia Pitts, General Counsel, in a correspondence dated February 14, 2020.



919 East Harris Avenue  
Greenville, Illinois 62246

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**INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Office of the Lieutenant Governor (Office) with the specified 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, 2019. Management of the Office is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

The specified requirements are:

- 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.

Our examination was conducted 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*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Office complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.



Our examination does not provide a legal determination on the Office's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the Office during the two years ended June 30, 2019. As described in the accompanying Schedule of Findings as item 2019-001, the Office had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material deviation from the specified requirements described in the preceding paragraph, the Office complied with the specified requirements during the two years ended June 30, 2019, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as item 2019-002.

The Office's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Office's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on them.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Internal Control Over Compliance**

Management of the Office is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control).

In planning and performing our examination, we considered the Office's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Office's compliance with the specified requirements and to test and report on the Office's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be a material weakness and significant deficiency.

A *deficiency in internal control* 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 and correct, noncompliance with the specified requirements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as item 2019-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a 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. We

consider the deficiencies described in the accompanying Schedule of Findings as item 2019-002 to be a significant deficiency.

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

The Office's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Office's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on them.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on the Office's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2018 and June 30, 2019, in Schedules 1 through 4 and the Analysis of Operations section are presented for purposes of additional analysis. Such information is the responsibility of Office management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2018 and June 30, 2019, in Schedules 1 through 4. We have not applied procedures to the accompanying supplementary information for the year ended June 30, 2017, in Schedules 3 and in the Analysis of Operations Section. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 1 through 4 or the Analysis of Operations Section.

**SIGNED ORIGINAL ON FILE**

Greenville, Illinois  
February 14, 2020

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended June 30, 2019**

2019-001      **FINDING**      (Failure to maintain proper controls over personal services functions)

The Office of the Lieutenant Governor (Office) failed to maintain proper controls over personal services functions.

During testing, we noted the following:

- We tested employee personnel files for Employment Eligibility Verification (Form I-9) forms for eight employees and noted:
  - Three (38%) employees did not have a completed Employment Eligibility Verification (Form I-9) form.
  - One (13%) employee had an incomplete Form I-9 on file, whereby Section 2 was not completed by the employer.

The Immigration Reform and Control Act of 1986 (8 U.S. Code § 1324a) (Act) requires an entity hiring an individual for employment in the United States to attest, under penalty of perjury and on a form designated or established by the Attorney General by regulation, that it has verified the individual is not an unauthorized alien. Such attestation is required to be made by completing Form I-9, in which the entity is required to complete Section 2 within 3 business days of the employee's first day of employment. The Act further requires completed I-9 forms to be retained for a period beginning on the date of the hiring, recruiting, or referral of the individual and ending three years after the date of hiring or one year after the individual is terminated, whichever is later. Additionally, the State Records Act (5 ILCS 160/8) requires the Office to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Office designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Office's activities.

- One of 8 (13%) employees tested did not have adequate personnel records. The employee was paid as a contractual employee by the Office; however, personnel records lacked documentation supporting the employee was hired on a contractual basis. In addition, the employee's rate of pay could not be verified.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Office to maintain a system of fiscal and administrative controls. Effective internal controls should include procedures to ensure each employee's terms of employment and rate of pay is properly supported in the employee's personnel file.

- Two of 8 (25%) employee personnel files tested lacked documentation authorizing certain payroll deductions, whereby:
  - Both employee files lacked a Federal/Illinois W-4 Employee's Withholding Allowance Certificate (Form C-25), and
  - One employee file lacked a credit union deduction authorization form.

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended June 30, 2019**

2019-001      **FINDING**      (Failure to maintain proper controls over personal services functions)  
(Continued)

The State Records Act (5 ILCS 160/8) requires the Office to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Office designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Office's activities. Additionally, the Statewide Accounting Management System (SAMS) (Procedure 23.20.05) requires the Office have on file a properly completed Form C-25 for all active employees. SAMS (Procedure 23.20.30) requires the Office to retain all payroll deduction authorization forms.

- We tested attendance records for eight employees and noted:
  - Four (50%) employees lacked documentation supporting their calendar year 2017 accrued balances. Therefore, we were unable to recalculate accrued balances and determine if accruals and usage were in accordance with Office rules and policies from July to December 2017.
  - One (13%) employee tested failed to accrue vacation time in accordance with the Office's policy, whereby two hours were accrued in excess of the employee's current accrual rate. As a result, the employee was overpaid \$53 upon separation from employment.
  - Four (50%) employees submitted timesheets that were not timely completed by the employee and approved by their supervisors. We noted 14 instances in which timesheets were completed from 2 to 124 days late.
  - Two (25%) employees submitted timesheets which were not timely approved by the employees' supervisors. We noted two instances in which timesheets were approved 5 to 20 days late.
  - Three (38%) employees submitted timesheets which lacked documentation of the supervisors' approval dates.
  - One (13%) employee failed to request and obtain approval in advance of time off taken. We noted 3 instances when leave time was approved between 5 and 6 days after the leave had occurred.
  - Three (38%) employees lacked documentation of prior approvals for time off taken. We noted 10 instances of time off taken lacking documentation of prior approvals by supervisors.

The State Records Act (5 ILCS 160/8) requires the Office to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Office designed to furnish information to



**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended June 30, 2019**

2019-001      **FINDING**      (Failure to maintain proper controls over personal services functions)  
(Continued)

- The Office did not include accurate information on its Agency Workforce Report (Report) for Fiscal Year 2017. The Report included employees that were not classified in the correct income categories. Additionally, the total number of employees did not agree to supporting documentation.

The State Employment Records Act (Act) (5 ILCS 410/20) requires the Office to collect, classify, maintain, and report all information required by the Act on a fiscal year basis, including the total number of persons employed within the Office work force receiving levels of State remuneration within incremental levels of \$10,000. The Office shall file, as public information and by January 1<sup>st</sup> of each year, a copy of all reports required by the Act with the Office of the Secretary of State and submit an annual report to the Governor. Furthermore, the Illinois State Auditing Act (30 ILCS 5/3-2.2) requires the Office to file corrected reports with the Governor and the Office of the Secretary of State within 30 days of the examination release.

Office personnel stated the issues noted were due to a mixture of a management oversight and competing priorities resulting from a significant turnover of key personnel during the Office transition.

Failure to establish and maintain adequate fiscal and administrative controls over personal services represents noncompliance with laws, rules, and regulations, and could result in inaccurate payroll expenditures, unnecessary legal risks due to incomplete withholding from an employee's pay, unapproved payroll expenditures, and employees not being fully aware of their ethical obligations under the law. (Finding Code No. 2019-001)

**RECOMMENDATION**

We recommend the Office establish and maintain fiscal and administrative internal controls over its personal services functions, including:

- Maintaining complete and accurate personnel files, including completed Form I-9, hiring agreements, and authorizations for payroll deductions;
- Maintaining complete and accurate documentation of employees' accrued balances;
- Ensuring employees submit and the employees' supervisors approve employees' timesheets timely;
- Ensuring employees request and obtain approval in advance of time off taken;
- Maintaining adequate policies requiring personal time to be requested and approved prior to being taken;



**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended June 30, 2019**

2019-002      **FINDING**      (Failure to enter into an intergovernmental agreement)

The Office of the Lieutenant Governor (Office) failed to enter into an intergovernmental agreement with the Department of Central Management Services (CMS) for vehicle usage.

The CMS Vehicle Usage Program states that effective in Fiscal Year 2013, the CMS Division of Vehicles will charge agencies quarterly usage fees for their use of new and existing passenger vehicles in fleets as a means to enable replacement of necessary vehicles before they become a cost burden on the State to repair. During the examination period, the Office utilized eleven vehicles owned by CMS; however, the Office was not charged a usage fee. The Office was unable to provide an intergovernmental agreement with CMS stating they would not be billed for the usage.

The Intergovernmental Cooperation Act (5 ILCS 220/5) (Act) states any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking or to combine, transfer, or exercise any powers, functions, privileges, or authority which any of the public agencies entering into the contract is authorized by law to perform, provided that such contract shall be approved by the governing bodies of each party to the contract and except where specifically and expressly prohibited by law. Such contract shall set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties.

Office personnel stated the CMS vehicles had been used by the Office in prior years by previous administrations without paying any usage fees.

Failure to enter into formal intergovernmental agreement for resources of other State agencies misstates the costs of each Agency and could affect the budget process. (Finding Code No. 2019-002)

**RECOMMENDATION**

We recommend the Office enter into an intergovernmental agreement with CMS for vehicle usage and comply with statutory requirements.

**OFFICE RESPONSE**

The Office agrees in part and accepts the recommendation.

The Office agrees in part because an issue of notice exists relating to this matter. Now that our office has actual knowledge of the material finding presented, our office will work to comply with the cited policy instituted by CMS through the internal controls which includes entering an intergovernmental agreement.

The Office has not found any evidence of an intergovernmental agreement existing between our office and CMS regarding the stated vehicle usage policy. The policy in question is a policy of CMS and not one administered or mandated out of the Office of the Lieutenant Governor.



**STATE OF ILLINOIS**  
**OFFICE OF THE LIEUTENANT GOVERNOR**  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2019**

2019-002      **FINDING**      (Failure to enter into an intergovernmental agreement)

Based on the records reviewed internally in our office of the engagement period, the Office was not placed on notice about the lack of compliance to such policy until after the examination period in preparation for the current audit compliance report. In addition, notice did not exist from CMS regarding the Office's lack of compliance to this existing CMS vehicle usage policy.

Without the notice of lack of compliance from CMS or from previous audit compliance reports, the Office had no actual notice that such policy existed and that the Office was not in compliance.

**STATE OF ILLINOIS**  
**OFFICE OF THE LIEUTENANT GOVERNOR**  
**SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED**  
**For the Two Years Ended June 30, 2019**

A.     **FINDING**     (Untimely Filing of Reports)

During the prior examination, the Office of the Lieutenant Governor (Office) did not file Travel Headquarter Reports, Fiscal Control and Internal Auditing Act Reports, and reports of travel reimbursement claims as statutorily required.

During the current examination, our testing indicated the Office filed the above reports as required. (Finding Code No. 2017-001)

**STATE OF ILLINOIS**  
**OFFICE OF THE LIEUTENANT GOVERNOR**  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
**Appropriations for Fiscal Year 2019**

For the Fifteen Months Ended September 30, 2019

Public Act 100-0586 and Public Act 101-0007 FISCAL YEAR 2019	Appropriations (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
<b><u>APPROPRIATED FUNDS</u></b>					
<b><u>GENERAL REVENUE FUND - 001</u></b>					
Lump Sums - Operational Expenses	\$ 1,234,700	\$ 1,094,228	\$ 39,568	\$ 1,133,796	\$ 100,904
<b><u>AGRICULTURAL PREMIUM FUND - 045</u></b>					
Lump Sums - Ordinary and Contingent Expenses of the Rural Affairs Council	<u>47,500</u>	<u>12,663</u>	<u>10,322</u>	<u>22,985</u>	<u>24,515</u>
<b>GRAND TOTAL - ALL FUNDS</b>	<b><u><u>\$ 1,282,200</u></u></b>	<b><u><u>\$ 1,106,891</u></u></b>	<b><u><u>\$ 49,890</u></u></b>	<b><u><u>\$ 1,156,781</u></u></b>	<b><u><u>\$ 125,419</u></u></b>

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the Office of the State Comptroller's records as of September 30, 2019, and have been reconciled to Office records.

Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the Office of the State Comptroller for payment to the vendor.

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES  
Appropriations for Fiscal Year 2018**

For the Fifteen Months Ended September 30, 2018

Public Act 100-0021 and Public Act 100-0586 FISCAL YEAR 2018	Appropriations (Net After Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
<b><u>APPROPRIATED FUNDS</u></b>					
<b><u>GENERAL REVENUE FUND - 001</u></b>					
Lump Sums - Operational Expenses	\$ 1,231,300	\$ 1,013,752	\$ 20,658	\$ 1,034,410	\$ 196,890
Ordinary and Contingent Expenses	<u>68,900</u>	<u>-</u>	<u>30,371</u>	<u>30,371</u>	<u>38,529</u>
Subtotal fund - 001	<u>1,300,200</u>	<u>1,013,752</u>	<u>51,029</u>	<u>1,064,781</u>	<u>235,419</u>
<b><u>AGRICULTURAL PREMIUM FUND - 045</u></b>					
Lump Sums - Ordinary and Contingent Expenses of the Rural Affairs Council	<u>47,500</u>	<u>14,908</u>	<u>25,072</u>	<u>39,980</u>	<u>7,520</u>
<b>GRAND TOTAL - ALL FUNDS</b>	<b><u><u>\$ 1,347,700</u></u></b>	<b><u><u>\$ 1,028,660</u></u></b>	<b><u><u>\$ 76,101</u></u></b>	<b><u><u>\$ 1,104,761</u></u></b>	<b><u><u>\$ 242,939</u></u></b>

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the Office of the State Comptroller's records as of September 30, 2018, and have been reconciled to Office records.

Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the Office of the State Comptroller for payment to the vendor.

**STATE OF ILLINOIS**  
**OFFICE OF THE LIEUTENANT GOVERNOR**  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
**Appropriations for Fiscal Year 2018**

For the Fifteen Months Ended September 30, 2018

- Note 3: During Fiscal Year 2018, the Office operated without enacted appropriations until Public Act 100-0021 was signed into law on July 6, 2017. During the impasse, the Office incurred non-payroll obligations, which the Office was unable to pay until the passage of Public Act 100-0021.
- Note 4: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Office to pay for all costs incurred to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 30 includes information from Office management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held and submitted by the Office against its Fiscal Year 2018 appropriations.

**STATE OF ILLINOIS**  
**OFFICE OF THE LIEUTENANT GOVERNOR**  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,**  
**EXPENDITURES, AND LAPSED BALANCES**  
**For the Fiscal Years Ended June 30, 2019, 2018, and 2017**

	FISCAL YEAR		
	2019	2018	2017
	P.A. 100-0586 and P.A. 101-0007	P.A. 100-0021 and P.A. 100-0586	P.A. 99-0524, P.A. 100-0021, and Court-Ordered Expenditures
<u>GENERAL REVENUE FUND - 001</u>			
Expenditure Authority (net after transfers)	\$ 1,234,700	\$ 1,300,200	
Expenditures			
Lump Sums - Operational Expenses	1,133,796	1,034,410	\$ 979,824
Ordinary and Contingent Expenditures	-	30,371	99,995
Total expenditures	1,133,796	1,064,781	\$ 1,079,819
Lapsed balances fund - 001	\$ 100,904	\$ 235,419	
<u>AGRICULTURAL PREMIUM FUND - 045</u>			
Expenditure Authority (net after transfers)	\$ 47,500	\$ 47,500	\$ 47,500
Ordinary and Contingent Expenses of the Rural Affairs Council	22,985	39,980	45,649
Lapsed balances fund - 045	\$ 24,515	\$ 7,520	\$ 1,851
<u>BUDGET STABILIZATION FUND - 686</u>			
Expenditure Authority (net after transfers)	\$ -	\$ -	\$ 50,000
Ordinary and Contingent Expenses	-	-	49,875
Lapsed balances fund - 686	\$ -	\$ -	\$ 125

**STATE OF ILLINOIS**  
**OFFICE OF THE LIEUTENANT GOVERNOR**  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,**  
**EXPENDITURES, AND LAPSED BALANCES**  
**For the Fiscal Years Ended June 30, 2019, 2018, and 2017**

	FISCAL YEAR		
	2019	2018	2017
	P.A. 100-0586 and P.A. 101-0007	P.A. 100-0021 and P.A. 100-0586	P.A. 99-0524, P.A. 100-0021, and Court-Ordered Expenditures
<u>GRAND TOTAL - ALL FUNDS</u>			
Expenditure Authority (net after transfers)	\$ 1,282,200	\$ 1,347,700	
Total expenditures	<u>1,156,781</u>	<u>1,104,761</u>	<u>\$ 1,175,343</u>
Lapsed balances	<u>\$ 125,419</u>	<u>\$ 242,939</u>	
Lieutenant Governor's Salary	<u>\$ 135,963</u>	<u>\$ 135,669</u>	<u>\$ 135,669</u>

- Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the Office of the State Comptroller's records as of September 30, 2019, 2018, and 2017, and have been reconciled to Office records.
- Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the Office of the State Comptroller for payment to the vendor.
- Note 3: During Fiscal Year 2017, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As Public Act 100-0021 states appropriation authority granted by the General Assembly does not supersede any court order directing the expenditure of funds and states such payments are added to the appropriations granted by the General Assembly, the Office was able to submit vouchers to pay its employees in full from Fund 001 without a maximum expenditure limit for personal service costs during Fiscal Year 2017.
- Note 4: During Fiscal Years 2017 and 2018, the Office operated without enacted appropriations until Public Act 100-0021 was approved on July 6, 2017. During the impasse, the Office incurred non-payroll obligations, which the Office was unable to pay until the passage of Public Act 100-0021.
- Note 5: During Fiscal Year 2017, Public Act 99-0524 authorized the Office to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures.
- Note 6: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Office to pay for all costs incurred to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 30 includes information from Office management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held and submitted by the Office against its Fiscal Year 2018 appropriations.

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
SCHEDULE OF CHANGES IN STATE PROPERTY  
For the Two Years Ended June 30, 2019**

	<u>State Property</u>
Balance at July 1, 2017	\$ 62,818
Additions	-
Deletions	-
Net transfers	<u>(3,407)</u>
Balance at June 30, 2018	<u>\$ 59,411</u>
Balance at July 1, 2018	\$ 59,411
Additions	11,847
Deletions	(19,305)
Net transfers	<u>(10,417)</u>
Balance at June 30, 2019	<u>\$ 41,536</u>

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



**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)  
For the Two Years Ended June 30, 2019**

AGENCY FUNCTIONS

The Office of the Lieutenant Governor is an elected position for a four-year term (10 ILCS 5/2A-5). The Lieutenant Governor is the second highest executive office in Illinois and first in line for the governorship. Under the Illinois Constitution, the Lieutenant Governor becomes the Acting Governor if the Governor is unable to discharge the duties of the Office. Over the course of Illinois history, seven Lieutenant Governors have replaced Governors who died, resigned, or were removed from office.

Evelyn Sanguinetti was elected Lieutenant Governor and subsequently sworn into office on January 12, 2015. Juliana Stratton was elected Lieutenant Governor and subsequently sworn into office on January 14, 2019.

In addition to being prepared to lead the State, the Lieutenant Governor exercises the powers delegated to her by the Governor and that may be prescribed by law. By statutory mandate, the Lieutenant Governor acts as the State's top advocate for rural communities, military families, and river conservation through her leadership of the Governor's Rural Affairs Council; the Military Economic Development Committee; and the Illinois Rivers Coordinating Council (a consolidation of the Illinois River, Mississippi River, and Wabash & Ohio Rivers Coordinating Councils).

With the current administration, additionally, the Lieutenant Governor's advocacy includes chairing the Illinois Council on Women & Girls, which is responsible for promoting policy change and advocacy initiatives related to issues affecting women and girls across the State of Illinois.

Lastly, the Lieutenant Governor serves as the ambassador to Illinois Main Street, a downtown revitalization program.

PLANNING PROGRAM

The Office of the Lieutenant Governor's (Office) primary objective is to support government services, according to the State's Budgeting for Results Commission. The Office applies that objective to its required duties and roles as highlighted below.

Chair, Governor's Rural Affairs Council

- Improve Rural Resources
  - Expand virtual legal clinics to underserved areas; raise funds for rural domestic violence and rape crisis shelters; recruit and train farmer's markets for food stamp acceptance; support local food expansion.
- Health and Healthcare
  - Sponsor the State's only Emergency Medical Services (EMS) Summit to identify challenges and solutions faced by rural health responders; support legislation to improve EMS care provided to rural patients; promote health research registry and annual check-ups for rural women.
  - Improving access to healthcare in rural areas (e.g. telehealth options, increasing the number and presence of clinics and other health offices) and promoting healthy-living lifestyles for adults and children in rural areas.

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)  
For the Two Years Ended June 30, 2019**

PLANNING PROGRAM (Continued)

Chair, Governor's Rural Affairs Council (Continued)

- Strengthen Rural Education
  - Launch State's 6th-12th grade math curriculum; expand criteria for school consolidation; sponsor higher education conference; publish superintendent survey, Game Changers reform report and Complete College Playbook; lobby for transparency and remediation reforms; advocate for funding reforms.
  - Ensuring that rural education (kindergarten through college) is supported State-wide and amplifying career and job opportunities related to rural development.
- Economic Development & Infrastructure
  - Supporting the development of main streets and other economic hubs in rural Illinois by augmenting their economic capacity and improving their infrastructure.
- The Governor's Rural Affairs Council, through committees, has developed recommendations to report to the Governor's Office and the General Assembly.

Chair, Military Economic Development Committee

- Support Defense Communities
  - Conduct listening posts and online survey in communities with military installations; prepare Statewide economic impact study of active military bases; coordinate communication among agencies working to retain and recruit military and civilian jobs in Illinois.
- Cybersecurity & Defense Industrial Supply Chain
  - Assisting cybersecurity and defense industry companies with meeting regulatory requirements for manufacturing equipment for the Department of Defense.
- Base Proximate Economic Development
  - Bolstering the economic vitality of communities surrounding and dependent on military installations so that they are economically sound even in the event of the installations' closings.
- Quality of Life
  - Protecting and improving the quality of life for service members' families and those living in communities around military installations.
- The Military Economic Development Committee has developed recommendations to report to the Governor's Office and the General Assembly.

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)  
For the Two Years Ended June 30, 2019**

PLANNING PROGRAM (Continued)

Chair, Illinois Rivers Coordinating Councils

- Asian Carp & Other Invasive Species
  - Focusing on ways to reduce the prevalence of existing invasive species in Illinois' waterways and preventing the introduction of new invasive species; this is done through supporting existing work in State agencies such as the Illinois Department of Natural Resources and supporting new research on approaches to solve crises stemming from invasive species.
- Economic Development & Infrastructure
  - Focusing on flood protection and risk management on the infrastructure side; focused on local community economic improvement (e.g. reintroducing tourism) on the economic development side.
- Conservation & Environment
  - Focusing on ways to protect the environment through conservation efforts; this includes protecting species in our waterways, land around those waterways, and the waterways themselves.
- The Illinois Rivers Coordinating Councils, through committees, have developed recommendations to report to the Governor's Office and the General Assembly.

Chair, Illinois Council on Women and Girls

- Health & Healthcare
  - Addressing challenges around access to quality healthcare for women and girls in Illinois, with an interest in maternity health and healthcare and available research related to health and healthcare disparities facing women and girls.
- Gender-Based Violence
  - Addressing challenges related to protecting survivors of gender-based violence including, but not limited to, stigma reduction to encourage more women and girls to come forward; mitigating the risk of gender-based violence against women and girls through education campaigns; and improving resources and access to those resources for survivors of this type of violence.
- Leadership & Inclusion
  - Improving leaderships and inclusion opportunities for women and girls in the workforce through empowerment trainings and friendly policy.
- Academic & Economic Opportunity
  - Improving access to academic and economic opportunities by providing resources for better educational opportunities and improving school-to-career pipelines.

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)  
For the Two Years Ended June 30, 2019**

PLANNING PROGRAM (Continued)

Chair, Illinois Council on Women and Girls (Continued)

- The Illinois Council on Women and Girls, through committees, has developed recommendations to report to the Governor's Office and the General Assembly.

Lead, *#ThroughOurEyes* Alzheimer's Campaign

- Convened listening sessions across Illinois to understand the challenges faced by patients and caregivers for Alzheimer's and related dementia.
- Developed policy recommendations related to public awareness, healthcare industry treatment of people with Alzheimer's and caregivers.

Partner, Pritzker/Stratton Administration

- Offer recommendations and support to the Office of the Governor as it relates to external affairs, policy, and legislative affairs especially for relevant programing based on councils, committees, and initiatives the Office the Lieutenant Governor oversees.

Justice Equity Opportunity Initiative

- The Justice, Equity, and Opportunity (JEO) Initiative centralizes the State's criminal justice reform efforts and promotes economic opportunity in communities most impacted by a broken criminal justice system. Established by executive order in February 2019, the JEO Initiative convenes criminal justice stakeholders from all levels of government, supports research and pilot programs, and advises government leaders on criminal justice reform efforts. The JEO Initiative has convening authority over all state agencies and works closely with agency directors and leadership to implement a holistic approach to justice reform.

Designated Oversight of Justice Agencies

- New to this administration, the Office of the Lieutenant Governor is also responsible for the oversight of the following State agencies:
  - Department of Juvenile Justice
  - Concealed Carry Licensing Review Board
  - Law Enforcement Training Standards Board
  - Prisoner Review Board and
  - Sentencing Policy Advisory Council
- The Governor assigned the oversight of the above referenced councils to the Office of the Lieutenant Governor. The Office addresses administration, legislative and other relevant issues that may arise in such agencies in connection and conjunction with the Governor's office.

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)  
For the Two Years Ended June 30, 2019**

PLANNING PROGRAM (Continued)

Main Street / Urban Main Initiative

- Established by 20 ILCS 720, the role of the Lieutenant Governor is to serve as Ambassador of the Illinois Main Street Program, which is administered out of the Illinois Department of Commerce and Economic Opportunity (DCEO). The program provides technical assistance to municipalities that meet certain criteria to revitalize downtowns, neighborhood business districts, and urban corridors.
- The Lieutenant Governor is working in partnership with the DCEO to reactivate this important commercial project. The Main Street / Urban Main Initiative is currently being strategically planned, alongside the DCEO, with the intention of working with communities to preserve the historic nature of those downtown areas, rejuvenate local businesses and revitalize commercial centers throughout the State.

**STATE OF ILLINOIS**  
**OFFICE OF THE LIEUTENANT GOVERNOR**  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (NOT EXAMINED)**  
**For the Two Years Ended June 30, 2019**

Significant variances were determined to be changes of 20% or more between fiscal years as reported in the Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances, and are explained below.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2019 AND FISCAL YEAR 2018**

GENERAL REVENUE FUND – 001

Ordinary and Contingent Expenses

The decrease of \$30,371 or 100% in Fiscal Year 2019 was due to the Office of the Lieutenant Governor (Office) not receiving an appropriation for ordinary and contingent expenses in Fiscal Year 2019. In Fiscal Year 2018, the Office received a supplemental appropriation from the General Revenue Fund for ordinary and contingent expenses.

AGRICULTURAL PREMIUM FUND – 045

Lump Sums – Ordinary and Contingent Expenses of the Rural Affairs Council

The decrease of \$16,995 or 43% in Fiscal Year 2019 was mostly due to a decrease in vendor services relating to the professional services provided to create a web-based guidebook for modernizing local government structure.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2018 AND FISCAL YEAR 2017**

GENERAL REVENUE FUND – 001

Ordinary and Contingent Expenses

The decrease of \$69,624 or 70% in Fiscal Year 2018 was due to a decrease in paying prior fiscal year costs. The Analysis of Operations section of this report at page 27 includes information from Office management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Office to be submitted against its Fiscal Year 2018 appropriations.

BUDGET STABILIZATION FUND – 686

Ordinary and Contingent Expenses – No Personal Services

The decrease of \$49,875 or 100% in Fiscal Year 2018 was due to the Office not receiving an appropriation in the Budget Stabilization Fund for ordinary and contingent expenses in Fiscal Year 2018. In Fiscal Year 2017, Office received an appropriation from the Budget Stabilization Fund for ordinary and contingent expenses that was used by the Office to pay expenses incurred due to the budget impasse.

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (NOT EXAMINED)  
For the Two Years Ended June 30, 2019**

Significant variances were determined to be changes of 20% or more as reported in the Schedule of Appropriations, Expenditures, and Lapsed Balances, and are explained below.

**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING IN FISCAL YEAR 2019**

AGRICULTURAL PREMIUM FUND – 045

Lump Sums – Ordinary and Contingent Expenses of the Rural Affairs Council

Invoices for lease agreements and the Annual Rural Community Economic Development Conference were not received until the end of June and were paid during lapse period.

**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING IN FISCAL YEAR 2018**

GENERAL REVENUE FUND – 001

Ordinary and Contingent Expenses

On June 4, 2018, Public Act 100-0586 established Fiscal Year 2018 appropriated spending authority for Fund 001 for ordinary and contingent expenses; which caused the Office of the Lieutenant Governor to have significant lapse period spending for ordinary and contingent expenses.

AGRICULTURAL PREMIUM FUND – 045

Lump Sums – Ordinary and Contingent Expenses of the Rural Affairs Council

Invoices for lease agreements and the Annual Rural Community Economic Development Conference were not received until the end of June and were paid during lapse period.

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
BUDGET IMPASSE DISCLOSURES (NOT EXAMINED)  
For the Two Years Ended June 30, 2019**

Payment of Prior Year Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Office to pay Fiscal Year 2016 costs using the Office's Fiscal Year 2017 appropriations for non-payroll expenditures. In addition, article 998 of Public Act 100-0021 authorized the Office to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the Office's Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The following chart shows the Office's payments of its prior period costs using future appropriations:

**FISCAL YEAR 2016 INVOICES**

<u>Fund #</u>	<u>Fund Name</u>	Paid From Fiscal Year 2018 Appropriations		Paid From Fiscal Year 2019 Appropriations	
		Number	Dollar Value	Number	Dollar Value
001	General Revenue Fund	10	\$ 1,172	-	\$ -
045	Agriculture Premium Fund	-	-	-	-
686	Budget Stabilization Fund	-	-	-	-
		10	\$ 1,172	-	\$ -

**FISCAL YEAR 2017 INVOICES**

<u>Fund #</u>	<u>Fund Name</u>	Paid From Fiscal Year 2018 Appropriations		Paid From Fiscal Year 2019 Appropriations	
		Number	Dollar Value	Number	Dollar Value
001	General Revenue Fund	135	\$ 55,457	-	\$ -
045	Agriculture Premium Fund	-	-	-	-
686	Budget Stabilization Fund	-	-	-	-
		135	\$ 55,457	-	\$ -



**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR  
AVERAGE NUMBER OF EMPLOYEES (NOT EXAMINED)  
For the Years Ended June 30,**

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from the Office of the Lieutenant Governor's records, presents the average number of employees by program, for the fiscal years ended June 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Office	<u>11</u>	<u>9</u>	<u>15</u>
Total number of employees	<u><u>11</u></u>	<u><u>9</u></u>	<u><u>15</u></u>