

2015 ANNUAL REPORT



**LEGISLATIVE
AUDIT
COMMISSION**

**FIFTY- SEVENTH ANNUAL REPORT
of the
LEGISLATIVE AUDIT COMMISSION**

Submitted to the Members of the
General Assembly of the State of Illinois



**2016 MEMBERSHIP
Co-Chairs
Senator Jason Barickman
Representative Robert Rita**

Senate Members

Senator Thomas Cullerton
Senator Iris Y. Martinez
Senator John Mulroe
Senator Jim Oberweis
Senator Dale Righter

House Members

Representative Fred Crespo
Representative Barbara Flynn Currie
Representative Sheri Jesiel
Representative David Reis
Representative Joe Sosnowski

Room 622
William G. Stratton Building
Springfield, Illinois 62706

To the Members of the General Assembly:

Given the responsibility of appraising the stewardship of State government, it is appropriate that the Audit Commission submits to the General Assembly each year a self-assessment of its activities.

This report, submitted in accordance with the Act creating the Commission, presents a summary of the Commission's activities and accomplishments as the legislature's oversight agency during 2015. This document also presents a number of areas in which State government could improve its performance to achieve greater efficiency, improve effectiveness, and comply with statutory directives.

The ability to make government more effective and more efficient is attributable to the members of the Legislative Audit Commission who are dedicated to meeting the challenges of government. Worthy of special note is the Commission's review of 115 financial/compliance reports, parts of two statewide single audit reports, and four performance audits during 2015.

The Audit Commission exists by and for the legislative branch of government. The Commission encourages your suggestions on becoming of greater service to the General Assembly.

Respectfully,

Jason A. Barickman, State Senator
Co-Chair

Robert Rita, State Representative
Co-Chair

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57th Annual Report

Report Highlights

The Legislative Audit Commission is a support services agency having the principal responsibility for the oversight of the State audit program. Major accomplishments during the past year include:

- Review of 115 financial audits and compliance examinations, parts of two statewide single audits, and four performance audits.
- Support and enactment of remedial and other legislation.
- Review of all emergency purchases, travel reports, and awards to other than the lowest bidder made by State agencies.
- Maintenance of a web page as a source of up-to-date information about Audit Commission activities. This site includes reports and forms associated with the Commission.
- Distribution of booklets on revised Purchasing Laws and University Guidelines.
- Search and interview of candidates for the position of Auditor General.

Overview

The Legislative Audit Commission is mandated by law (25 ILCS 150/0.01-0.06) to review all audits conducted by the State Auditor General. Primary responsibilities of the Commission are:

- Conduct public hearings on all major audits of State agencies to review problems, assess agency stewardship, and secure remedial action.
- Initiate and review management and program audits and investigations.
- Make recommendations to the General Assembly and agency management for corrective legislation and other measures to remedy weaknesses disclosed through audits or at Commission hearings.
- Monitor agency progress in implementing corrective action.

The statutory direction is made clear in this excerpt from the Commission's enabling legislation:

The Commission shall ascertain facts, review reports and take action thereon, and make recommendations and reports to the General Assembly and to the houses thereof concerning the audit, revenue and expenditures of the State....The Commission shall receive the reports of the Auditor General and other financial statements and shall determine what remedial measures, if any, are needed, and whether special studies and investigations are necessary.

The Commission works closely with the Office of the Auditor General. Although separate agencies, the two have many common interests. The Commission makes use of the Auditor General's specialized staff to minimize unnecessary duplication of effort and expenditure of tax funds. Nevertheless, the Commission also recognizes the specific separation of responsibilities between the conduct and the review of audits.

This report is one means used to inform the General Assembly, State agencies, the accounting profession, and the public of the Commission's activities and concerns. In addition, the Commission's membership and staff maintain open and active communication with the legislature and its staff and service agencies through personal contact and other means.

Information about the Commission's work and findings is supplied to individual members of the General Assembly upon request. This service can include supplying available information, reviewing proposed legislation, or assisting in the analysis of fiscal matters.

A final and important means of communicating with the members of the General Assembly is the sponsorship of legislation. The Legislative Audit Commission has a structured process for identifying and acting upon matters requiring new or amendatory legislation.

Commission's Home Page

Information about the Legislative Audit Commission is also available on a home page on the Internet. The information includes Commission authority and membership, the agenda of the Commission's next scheduled meeting, reviews of audits for the next scheduled meeting, a list of audit reports passed on the Commission's Consent Calendar since January 2006, the most recent Annual Report, the Purchasing Laws Publication, the University Guidelines publication, and the Headquarters designation (TA-2) form. Reviews of all audit reports heard by the Commission in the current audit cycle are also available. The home page enhances public access to information concerning the Commission's activities.

To reach the Commission's home page, go to **www.ilga.gov** and click on "Legislative Support Services" then follow the link to the Legislative Audit Commission.

Commission Membership

The Commission consists of 12 members who are appointed by the legislative leadership. Membership is equally apportioned between the two chambers and the two political parties. Finally, the co-chairs may not be members of the same political party, nor may they serve in the same chamber of the General Assembly.

The members receive no compensation for the substantial amount of time devoted to Legislative Audit Commission activities, but are reimbursed for travel expenses incurred.

The Commission maintains a full-time staff of three persons in the William G. Stratton Building in Springfield.

Appearing on the next page are lists of legislators now serving and those who have served on the Legislative Audit Commission.

**Commission Membership and
Date of Appointment
at December 31, 2015**

Senate Members

Senator Jason Barickman	January 2013
Senator Thomas Cullerton	December 2015
Senator Iris Y. Martinez	February 2005
Senator John Mulroe	February 2011
Senator Jim Oberweis	March 2013
Senator Dale Righter	September 2015

House Members

Representative Fred Crespo	February 2013
Representative Barbara Flynn Currie	July 2015
Representative Sheri Jesiel	February 2015
Representative David Reis	May 2014
Representative Robert Rita	November 2011
Representative Joe Sosnowski	November 2015

Former Members

Raymond E. Anderson	Vince Demuzio	Eileen Lyons	George P. Shadid
Victor Arrigo	Kirk Dillard	Andy Manar	W. Timothy Simms
W. Russell Arrington	Brian B. Duff	Lynn Martin	Cal Skinner, Jr.
Louis E. Beckman	Dan Duffy	Sidney Mathias	Fred J. Smith
Robert A. Biggins	Thomas Dunn	Frank J. Mautino	Arthur W. Sprague
Kenneth Boyle	George W. Dunne	Jeffrey D. Mays	George F. Stastny
Bill Brady	Paul F. Elward	David B McAfee	Celeste M. Stiehl
Michael I. Brady	Dwight P. Friedrich	Edward McBroom	Arthur Tenhouse
Rich Brauer	Zeke Giorgi	Dean McCulley	Judy Baar Topinka
Richard H. Brummer	John S. Graham	Andrew J. McGann	Sam Vadalabene
George M. Burditt	Harber H. Hall	Robert F. McPartlin	Louis S. Viverito
Linda Chapa LaVia	Kenneth Hall	Robert Mitchler	Thomas J. Walsh
Robert E. Cherry	Julie Hamos	Edward A. Nedza	Frank Watson
Clyde L. Choate	Gary Hannig	Clarence E. Neff	Jerry Weller
Terrel E. Clarke	Dennis Hastert	Dawn Clark Netsch	Rick Winkel
Earlean Collins	Jay Hoffman	Daniel J. O'Brien	Anne Zickus
Jacqueline Collins	Gene Johns	Mary K. O'Brien	
Philip W. Collins	Timothy V. Johnson	John T. O'Connell	
Marlow H. Colvin	Nancy Kaszak	Frank M. Ozinga	
John Connolly	James F. Keane	Margaret R. Parcels	
Michael D. Curran	Dan Kotowski	Sandra Pihos	
Julie A. Curry	Jack L. Kubick	Glenn Poshard	
John M. Daley	Bob Kustra	Paul Powell	
Richard M. Daley	Leo D. LaFleur	Kwame Raoul	
C.D. Davidsmeyer	Darin LaHood	Dennis Reboletti	
Corneal A. Davis	John J. Lanigan	Walter J. Reum	
Jack Davis	Richard R. Larson	Dale A. Righter	
Aldo A. DeAngelis	Chris Lauzen	Dale E. Risinger	
Terry W. Deering	Ted E. Leverenz	Ron Sandack	
Miguel A. del Valle	Ellis B. Levin	Calvin W. Schuneman	
Deanna Demuzio	James P. Loukas	Penny Severns	

Audit Review Program

Audits are, by their nature, a look at the past. Transactions are reviewed, statistical and compliance tests are performed, and an evaluation is made of conditions during the period covered by the report. The Commission's audit review activities seek to change this focus by involving legislators, agency directors and managers, and members of the audit team in a structured process, which emphasizes implementation of corrective action to remedy existing weaknesses and to prevent lapses of control in the future. While the audit report cites deficiencies at the time of the examination, the Commission looks forward, seeking to view the audit report as a blueprint for improved agency service and accountability. In this way, the Commission maximizes the value of these reports as management tools.

Two important benefits result from frequent hearings on major audits:

1. Legislators are directly involved in the audit process, increasing communication within government and supplying feedback to the legislative and appropriations processes; and
2. Opportunities are increased for both administrative and legislative action to correct weaknesses and deficiencies disclosed in the audit reports.

Basic elements of the Commission's review include:

- Disclosure and public scrutiny of weaknesses and illegal or improper conduct in the use of public funds and the management of public business.
- Study, development, and introduction of legislation to correct weaknesses and improve the statutory framework of Illinois government.
- Initiation of management and program audits, investigations, and other studies, as required.
- Review of the delivery of State services, based both on audit findings and on members' contact with their constituents and the various agencies.

The participation of the Office of the Auditor General and accounting profession enhances discussion of accountability issues by both the agency and the Commission. In many instances, their comments help to clarify complex accounting issues. The Commission extends its appreciation to the accounting professionals who have participated during the past year. Hopefully they have found their association with the audit program rewarding, and have gained an appreciation of legislative oversight concerns as the result of their participation in Commission meetings. A listing of these individuals, by accounting firm name, appears on the following page.

Adelfia

Jennifer Roan
Stella Santos

Borschneck & Pelletier

Paul Pelletier

CliftonLarsonAllen

Jeff Bonick
John Hoffmeister
Lisa Krieger

E.C. Ortiz

Ed Ortiz
Shirley Ostendorf
Vivian See
Marites Sy
Tes Sy

Sikich

Andy Lascody
Tom Leach

KPMG

Cathy Baumann
Jaycee Bridges
Jackie Dippel
Kurt Gabouer

Compliance Examinations

Compliance audits, or compliance examinations, stress the fundamentals of governmental accountability—compliance with statutes and regulations, sound business practices, safeguarding of assets and property, and proper expenditure of State funds. The Commission took action on 115 financial and compliance reports during 2015 ranging from reports disclosing no material findings to reports containing as many as 38 recommendations. Obviously, this large number of reports represents the foundation of the Commission’s workload. A listing of these audits is included in Appendix A on pages 27-29.

Prior to a Commission hearing, an audit review is prepared by Commission staff, summarizing all of the recommendations made by the auditors and pertinent financial data. The recommendations are classified as to implementation and acceptance status based on current information requested from the agency involved.

The Commission’s public hearings stress implementation of corrective action, review of disputed findings, and an assessment of the fiscal and programmatic achievements of the agency. Corrective action is stressed to minimize the repetition of adverse findings in future reports. The Commission expects that each recommendation accepted by an agency will be implemented within a reasonable time. Priority attention is devoted to correcting past problems so that they will not recur. The Commission considers no audit recommendation fully disposed of until:

- it has been accepted by the agency;
- equally acceptable procedures have been implemented; and
- the Commission members are convinced that the position taken by the agency in not accepting a given recommendation is proper in the circumstances involved.

If implementation is not feasible, the Legislative Audit Commission may urge elimination of the recommendation in future reports.

Although infrequent, the Commission may be dissatisfied with an agency's lack of progress implementing audit recommendations and require the State agency to return to the Commission to report on the status of implementing audit report recommendations. As well, the Commission may notify the Governor if an executive agency or department refuses to comply with an audit recommendation. The Audit Commission may request an opinion from the Attorney General for the interpretation of statute, and whether an agency is operating within statutory requirements. The Audit Commission requested no opinions from the Attorney General during 2015.

The Office of the Auditor General contracts with an independent auditor to perform a Statewide Single Audit of federal funds. This Statewide Single Audit fulfills the mandate for accepting federal funding. It includes all State agencies that are part of the primary government and expend federal awards. In total, 45 State agencies expended about \$23.5 billion in federal financial assistance in FY13. The various universities, the bonding authorities, and the Conservation Foundation are not included in the Statewide Single Audit. Federal findings are noted in the State compliance audit reports of these agencies.

The Statewide Single Audit for FY13 contained 74 findings with 59 repeat findings. The audit noted for the twelfth time that the State does not have an adequate process in place to permit the timely completion of a complete and accurate Schedule of Expenditures of Federal Awards (SEFA).

Several findings in the Statewide Single Audit focus on deficiencies within agencies that fail to adequately perform determinations of eligibility or have unallowable costs for various federal programs such as TANF, CHIP, Medicaid, adoption assistance, unemployment insurance, and highway planning. Agencies also failed to maintain and control case file documents and process medical billings timely. At least nine of the audit report's 74 findings related to agencies' deficiencies in monitoring subrecipients such as inadequate review of subrecipient audit reports or inadequate monitoring of programs.

At least five more findings focused on material weaknesses of internal controls over financial reporting. A deficiency in internal controls over financial reporting 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, misstatements on a timely basis.

Audit Review Highlights

During 2015, the Legislative Audit Commission reviewed 115 compliance examinations and financial audit reports. Obviously, this statistic is of limited significance because there are wide variations in the reports regarding length, complexity of agency operations, and other factors.

This figure, however, is not without meaning because it does reflect the wide range of the State's fiscal activities subjected to review by the General Assembly during this period.

The Commission continues to be concerned with the timely review of compliance, financial and performance audits. As a post-facto examination, there is, of necessity, a certain delay in the completion and review of audits. However, it is important that the process be concluded in a timely fashion to maximize the benefits of the audit program.

The Commission attempts to reach a satisfactory agreement regarding the disposal of each audit recommendation. However, many findings contained in the audit reports are not addressed in a timely manner by agency officials and thus repeat in subsequent audits. For the FY15 audit cycle, there were a total of 550 findings and 319 repeat findings (58%). The percentage of repeat findings has increased. By comparison, 33% of the findings in FY05 audits were repeat findings. However there were almost 25% fewer findings in FY15 compared to FY05, (550 in FY15 compared to 727 findings in FY05). Agencies identified various reasons for repeated findings. The most common cause of repeat findings in the audit reports was a lack of effective oversight/poor internal controls. The second most common cause was lack of staffing and/or funding to implement the corrective action. Occasionally a finding may repeat in the same category such as property control or grant monitoring. The agency works to remedy that specific finding only to have another issue appear as a finding in the same category.

Whenever the State agencies work to implement the recommendations in the audit reports the overall number of findings decreases which may lead to better managed and more accountable agencies.

- After the total number of findings reached 821 in FY08, the number of findings has decreased. Compared to FY08, the number of findings for FY15 was reduced by one-third to 550.
- The processes followed by State agencies in preparing individual financial reports, by the State Comptroller in compiling the Statewide financial statements, and by the Office of the Auditor General in auditing the Statewide financial statements are complicated and time-consuming. Due to well-documented negative implications of delayed financial reporting over the years, the Auditor General has stressed the need to improve the timeliness of the State's annual financial reports. Due to the hard work and cooperation of staff in the Comptroller's Office, the Governor's Office, GOMB, the various State agencies, and the Office of the Auditor General, the audit of the Statewide financial statements was released on March 12, 2015.

At the end of 2015, unemployment was at 5.9%, compared to a national average of 5.0%. Revenues from all sources decreased by \$1.95 billion in calendar 2015, and the State continued to carry about \$7 billion in delayed payments for goods and services and to schools and universities. The Audit Commission continues to be concerned about the imbalance between revenues and expenditures and the effects the deficit is having on schools, universities, cities, towns, infrastructure, the various pension systems, and the State's overall credit rating. The Audit Commission is also concerned about the deficiencies that agencies demonstrate in

monitoring the wide variety of grants and programs utilized to provide the services of State government.

Appendix B, appearing on page 30, summarizes the audits considered at Legislative Audit Commission hearings during 2015, the number of audit recommendations, and the number of recommendations that were repeated from prior audits.

During 2015, the Commission gave special attention in its review activity to the topics which follow. The various departments and agencies listed usually agreed to implement specific audit recommendations or other changes, so that these weaknesses would no longer exist. In most instances, the findings were for FY12, FY13 and FY14.

Failure of Internal Controls

The following agencies had inadequate property controls, inaccurate inventory costs, records, commodities, equipment additions, procurement bulletins, inspections, or could not locate a total of 762 laptops and computers:

Capital Development Board	Department of the Lottery
Chicago State University	Illinois Power Agency
Department of Children & Family Services	Illinois Workers' Compensation Commission
Department of Corrections	Joint Committee on Administrative Rules
Department of Corrections (401 computers)	Law Enforcement Training & Standards Bd
Dept of Financial & Professional Regulation	Northeastern Illinois University
Dept of Financial & Professional Regulation (4 computers)	Office of the State Fire Marshal
Department of Healthcare & Family Services	Prisoner Review Board
Department of Human Services	Property Tax Appeal Board
	Southern Illinois University (357 computers)

The following agencies had inadequate controls over the payroll process, employee leave requests, overtime, vacation pay, compensatory time, timesheets, evaluations, personnel files, training, compensated absences, background checks, employee advances, employee contracts, case load monitoring, or segregation of duties. Also, agencies did not ensure new employees met certain minimum eligibility requirements, did not enforce employee identification policies, did not document the completion of employees minimum required number of training hours, did not have automated timekeeping or payroll systems, did not increase and maintain the number of bilingual staff, did not document temporary assignments, or had weaknesses in monitoring the accuracy of timekeeping:

Capital Development Board	Illinois Criminal Justice Information Authority
Chicago State University	Illinois Finance Authority
Department of Children & Family Services	Illinois Housing Development Authority
Dept of Commerce & Economic Opportunity	Illinois Power Agency
Department of Corrections	Illinois State University
Dept of Corrections—Correctional Industries	Illinois Workers' Compensation Commission
Dept of Financial & Professional Regulation	Law Enforcement Training & Standards Bd
Dept of Healthcare & Family Services	Mid-America Medical District Commission
Department of Human Services	Northeastern Illinois University

Eastern Illinois University
Governors State University
Illinois Conservation Foundation

Office of the State Fire Marshal
Southern Illinois University

The following agencies had inadequate voucher approval or refund processing, untimely payments, payments causing returned checks or insufficient funds, unpaid interest, inadequate accounts payable reporting, refund compliance, expenditure reporting, prompt payment inadequacies, reporting of bills held, disbursements, fund transfers, proper controls over unallowable expenditures and purchasing authorization, or did not comply with statutory limitations on fund transfers:

Capital Development Board	Law Enforcement Training & Standards Bd
Chicago State University	Northeastern Illinois University
Department of Corrections	Office of Comptroller, Fiscal Officer
Department of Human Services	Office of the State Fire Marshal
Governors State University	Prisoner Review Board
Illinois Power Agency	Sex Offender Management Board
Illinois State Toll Highway Authority	Southern Illinois University
Illinois Workers' Compensation Commission	

The following agencies had improper reconciling or collecting of revenues or receipts, inaccurate or untimely reports, deposits, receivables, records, fees, reimbursements, transfers, reconciliations, transactions, drawdowns, payments, refunds, disbursements, deposits, or capital assets, untimely requested reimbursement for federally supported programs, or had inadequate revenue policies:

Capital Development Board	Illinois Housing Development Authority
Department of Children & Family Services	Illinois Power Agency
Department of Corrections	Illinois Workers' Compensation Commission
Dept of Corrections–Correctional Industries	Law Enforcement Training & Standards Bd
Department of Healthcare & Family Services	Office of the State Fire Marshal
Department of Human Services	Southern Illinois University
Illinois Conservation Foundation	

The following agencies did not timely file reports, ensure accuracy of reports, obtain reports, document reports, or follow up on reports:

Chicago State University	Illinois Housing Development Authority
Department of Children & Family Services	Illinois Power Agency
Dept of Commerce & Economic Opportunity	Illinois Workers' Compensation Commission
Department of Corrections	Mid-America Medical District Commission
Department of Healthcare & Family Services	Northeastern Illinois University
Department of Human Services	Office of Treasurer, Fiscal Officer
Department of the Lottery	Southern Illinois University

The following agencies submitted inaccurate or untimely financial reports, had inadequate controls over financial statement preparation, had inadequate review of financial statements, had inadequate preparation of GAAP reports or other financial reports concerning liabilities and

capital assets, had inadequate documentation or support regarding financial entries, had inadequate monthly reconciliations, had weaknesses in fund accounting, had inadequate journal entries, or had weaknesses in accounting procedures or the accounting system:

Chicago State University	Illinois Finance Authority
Department of Children & Family Services	Illinois Housing Development Authority
Department of Corrections	Illinois Power Agency
Dept of Corrections–Correctional Industries	Illinois State Toll Highway Authority
Department of Human Services	Illinois Workers’ Compensation Commission
Department of the Lottery	Northeastern Illinois University
Illinois Conservation Foundation	

The following agencies did not comply with grant agreements, had loan covenant violations, inadequate notification of loans past due, loan monitoring, loan counseling, capital leases, lacked policies for equity funding, provided inadequate lease information, or did not exercise adequate internal controls over bond issuances:

Chicago State University	Illinois Finance Authority
Dept of Commerce & Economic Opportunity	Judicial Inquiry Board
Dept of Corrections – Correctional Industries	Northeastern Illinois University

The following agencies lacked adequate controls over funds for awards and grants including reporting, matching funds, payrolls, or indirect costs, grant compliance or reporting, volunteer hours, or ensure grant revenue is accurately reported in the financial statements. Also, lacked a comprehensive grant administration program:

Chicago State University	Illinois Housing Development Authority
Dept of Commerce & Economic Opportunity	Southern Illinois University
Department of Human Services	

The following agencies did not establish or follow policies, rules and regulations, adequately update policy manuals, handbooks, methodologies, rules or administrative directives, or internal control procedures, lacked required documentation in files, or had inadequate controls over telephone charges. Also, did not ensure the actuarial valuation was completed timely, or did not properly apply student loan payments or bond payments to principal and interest:

Chicago Transit Authority’s Retiree Health Care Trust	Department of the Lottery
Department of Children & Family Services	Illinois Finance Authority
Dept of Commerce & Economic Opportunity	Illinois Housing Development Authority
Department of Corrections	Illinois International Port District
Dept of Corrections–Correctional Industries	Illinois Power Agency
Dept of Financial & Professional Regulation	Illinois State University
Department of Human Services	Northeastern Illinois University

The following agencies did not monitor and file interagency agreements timely or carefully review contracts for content, or did not adhere to interagency agreements regarding shared employees:

Department of Children & Family Services	Department of Healthcare & Family Services
Dept of Commerce & Economic Opportunity	Department of Human Services
Dept of Corrections–Correctional Industries	Illinois Finance Authority
Dept of Financial & Professional Regulation	Illinois Power Agency

The following agencies did not adhere to the agency vehicle policy, failed to file accident reports timely, or charge correct amount of fringe benefit for vehicle use:

Department of Children & Family Services	Illinois Finance Authority
Department of Corrections	Prisoner Review Board
Dept of Financial & Professional Regulation	Southern Illinois University
Eastern Illinois University	

The following agencies did not timely report or collect outstanding debts or receivables, maintain a listing of doubtful accounts, properly write off, had an inadequate billing process, or did not adequately charge for fees authorized to collect and deposit:

Department of Children & Family Services	Illinois Finance Authority
Department of Corrections	Illinois Power Agency
Department of Healthcare & Family Services	Illinois Workers' Compensation Commission
Department of Human Services	Southern Illinois University
Environmental Protection Trust Fund Comm	

The **Department of Corrections** allowed employees to use leave time for their regular shift, and then work another shift at the overtime rate on the same day.

The **Department of Corrections**, **Department of Human Services**, and **Southern Illinois University** inadequately administered locally held funds or cash funds held in trust, recorded cash improperly, or had inadequate cash reconciliations.

The **Department of Financial and Professional Regulation** and **Northeastern Illinois University** did not properly document eligibility or the application process for various State programs, licenses, student financial aid, or grants.

Failure to Monitor Computer Systems

The following agencies had inadequate security controls over computer systems:

Department of Corrections	Illinois Housing Development Authority
Dept of Corrections – Correctional Industries	Illinois Power Agency
Department of Human Services	Illinois State Toll Highway Authority
Department of the Lottery	Illinois Workers' Compensation Commission
Governors State University	Southern Illinois University
Illinois Criminal Justice Information Authority	

The following agencies had inadequate controls over system development activities or change procedures:

Department of Corrections	Department of the Lottery
Department of Healthcare & Family Services	Southern Illinois University
Department of Human Services	State Employees' Retirement System

The following agencies had an inadequate disaster recovery plan and inadequate testing of the recovery plan:

Department of Corrections	Illinois Criminal Justice Information Authority
Department of Human Services	Northeastern Illinois University
Department of the Lottery	

Failure to Adequately Monitor Subrecipients, Contractors, Licensees, Members, or Vendors

For the following agencies, contracts approved were not approved timely, or required certifications were not obtained from subcontractors, or there were inadequate construction affidavits:

Capital Development Board	Illinois Power Agency
Department of Children & Family Services	Illinois State University

The following agencies lacked documentation to ensure billed services were necessary and provided at reasonable cost or did not fully enforce signed contracts:

Department of Children & Family Services	Illinois State University
Department of Corrections	Illinois Workers' Compensation Commission

The following agencies did not follow established policies and procedures for monitoring subrecipients or licensees or members, inadequately performed reviews of subrecipients or licensees or members or followed up on review findings of subrecipients or licensees, did not ensure proper communication to subrecipients or licensees or members of all required information, lacked adequate census gathering procedures or data reporting, did not discontinue benefit payments upon death of member or beneficiary, failed to calculate and pay prompt payment interest resulting from late payments to vendors, or had weaknesses with eligibility redeterminations:

Dept of Financial & Professional Regulation	Illinois Workers' Compensation Commission
Department of Healthcare & Family Services	Judges' Retirement System
Department of Human Services	State Employees' Retirement System
General Assembly Retirement System	State Universities Retirement System
Illinois Finance Authority	Teachers' Retirement System of State of IL
Illinois Housing Development Authority	

Failure to Operate Within Statutory Authority

The following agencies did not properly evaluate proposals as required by the Procurement Code, did not comply with certain Procurement Code requirements, did not score vendor proposals properly, or did not timely file required emergency purchase affidavits or construction affidavits:

Capital Development Board	Illinois Power Agency
Department of Corrections	Illinois State Toll Highway Authority

The following agencies did not comply with all statutes required for the operation of those agencies:

Chicago State University	Illinois Finance Authority
Department of Children & Family Services	Illinois Housing Development Authority
Dept of Commerce & Economic Opportunity	Illinois Power Agency
Department of Corrections	Illinois Workers' Compensation Commission
Dept of Financial & Professional Regulation	Judges' Retirement System
Department of Healthcare & Family Services	Mid-America Medical District Commission
Department of Human Services	Northeastern Illinois University
Department of the Lottery	Office of Treasurer, Fiscal Officer
General Assembly Retirement System	Southern Illinois University
Governors State University	

The following agencies did not timely file reports with all the information as required by law including proper supporting documentation:

Chicago State University	Department of the Lottery
Department of Children & Family Services	Illinois Housing Development Authority
Dept of Commerce & Economic Opportunity	Illinois Power Agency
Department of Corrections	Illinois Workers' Compensation Commission
Dept of Financial & Professional Regulation	Northeastern Illinois University
Department of Healthcare & Family Services	Office of Treasurer, Fiscal Officer
Department of Human Services	

The following agencies did not comply with federal regulations:

Chicago State University	Department of Human Services
Department of Children & Family Services	Illinois Housing Development Authority
Department of Corrections	Northeastern Illinois University
Department of Healthcare & Family Services	Southern Illinois University

The following agencies did not comply with the Fiscal Control and Internal Auditing Act, or did not timely complete all internal audits as required by the Act:

Department of Children & Family Services	Illinois Finance Authority
Dept of Commerce & Economic Opportunity	Illinois Power Agency
Department of Corrections	Judges' Retirement System
Department of Human Services	Law Enforcement Training & Standards Bd
Department of the Lottery	Northeastern Illinois University
General Assembly Retirement System	State Employees' Retirement System

The following agencies did not make timely appointments to boards, commissions, task forces or committees, did not timely establish committees, councils or panels, did not create positions, or had weaknesses in handling pending complaints:

Dept of Commerce & Economic Opportunity	General Assembly Retirement System
Dept of Financial & Professional Regulation	Illinois Power Agency
Department of Human Services	Judicial Inquiry Board
DryCleaner Environmental Response Trust	Mid-America Medical District Commission
Fund Council	Property Tax Appeal Board

Chicago State University, Governors State University, and Northeastern Illinois University did not ensure that students are notified timely of student financial aid awards, did

not ensure student financial aid awards are made accurately, or had weaknesses in student aid application verification.

The **Department of Corrections** and **Department of the Lottery** failed to establish a mechanism to track access to individuals' files in the manner required by law, or did not comply with requirements for issuing temporary identification cards.

Illinois State University failed to establish or follow policies and guidelines concerning student immunizations.

Failure to Protect the State's Interest

The following agencies had weaknesses relating to security and control of confidential or personal information in its possession:

Department of Corrections	Illinois State University
Department of Human Services	Illinois Workers' Compensation Commission
Department of the Lottery	Southern Illinois University

The following agencies did not have a formal fraud risk assessment program in place, or did not analyze the process to ensure a written fraud risk assessment is in place:

Department of Corrections	Department of the Lottery
Department of Human Services	Illinois Workers' Compensation Commission

The **Department of Children and Family Services** did not timely report determinations of child abuse or neglect, did not timely initiate investigations for reports of child abuse or neglect, or did not timely complete required reviews of child deaths.

The **Department of Corrections** did not implement a process to inform and document convicted arsonists who are going to reside, be employed, or attend school within the City of Chicago, of their duty to register upon their discharge, parole or release.

The **Department of Human Services** did not verify social security numbers of new claimants.

The **Department of Human Services** failed to fully comply with fire safety standards.

Collection of Receivables

Accounts receivable are a valuable asset to the State, and as such, must be effectively accounted for and pursued for collection. Each agency must maintain an accounting system that enables them to establish, record, follow-up, collect, and possibly write off individual receivables.

According to the Comptroller's December 31, 2015 Receivables Report, the gross receivables balance was \$16.843 billion, an increase of \$1.116 billion (7%) from the \$15.727 billion reported

at December 31, 2014. Of this amount, \$4.712 billion were deferred/ installment receivables and \$8.169 billion was estimated to be uncollectible. Thus, \$3.962 billion (23.5%) was estimated to be collectible.

Performance Audits

Performance audits, a category that includes program, management, and efficiency audits, provide a more detailed and thorough examination of a topic than is possible in a compliance examination. The Auditor General is authorized to conduct performance audits when directed by either chamber of the Illinois General Assembly or by the Legislative Audit Commission. A performance audit means a post audit which determines:

- Whether the audited agency is managing or utilizing its resources in an economical and efficient manner;
- Causes of inefficiencies or uneconomical practices;
- Whether the objectives and intended benefits are being achieved, and whether efficiently and effectively;
- Whether the program is being performed or administered as authorized or required by law; and
- Whether the program duplicates, overlaps, or conflicts with another State program.

One of the methods by which performance audits may be initiated is through the adoption of a resolution by the Legislative Audit Commission. The Audit Commission passed Resolution 147 pursuant to House Resolution 199, which directed the Auditor General to conduct an investigation into circumstances surrounding an escape by a person in the custody of the Elgin Mental Health Center. The changes made by the Audit Commission and agreed to by both the House sponsor and the Office of the Auditor General were minor in nature and clarified that the report would be an audit not an investigation.

The following is a summary of the four performance audits reviewed by the Legislative Audit Commission during 2015.

Financial, Compliance, and Program Audit of the Village of Robbins' Use of Municipal Economic Development Funds

The Public Utilities Act requires the Auditor General to conduct an annual audit of distributions received by a municipality from the Municipal Economic Development Fund (MEDF).

Robbins, the only entity to receive distributions from the Fund, received \$227,048.04 in 2013. The auditors determined that Robbins used these monies for Village payroll and employee insurance expenses. Based on the auditors' review of documentation provided by the Village, they concluded that Robbins' expenditures of MEDF receipts appeared to be consistent with Public Utilities Act requirements.

The auditors recommended that Robbins develop written procedures to investigate unusual deposits or disbursements, and ensure all monies received are held in a separate account until expended. The Village is taking corrective action. A recommendation for the Department of Revenue stated that the Department should ensure that taxes are not collected once the tax has expired. The Department collected \$34,429.52 after the tax had expired and sent the proceeds to Robbins. According to an updated response, the Village has repaid the Department and the Department is seeking appropriation authority to repay the taxpayer.

Management Audit of the Department of Children and Family Services' Search for Missing Children

House Resolution Number 120 directed the Office of the Auditor General to conduct a management audit of the Department of Children and Family Services' (DCFS) compliance with its rules and procedures for locating and returning missing, runaway, and abducted children in calendar years 2011 and 2012. The Resolution asked the audit to determine the following:

- the number of children reported missing;
- whether timely reports of missing children were made to required parties; and
- the steps followed to locate and recover missing children, including compliance with procedures.

DCFS' goal is to provide for the well-being of children (State wards) in foster or substitute care who cannot return home safely and also to support child-abuse prevention. DCFS procedures state that missing wards are at great risk of victimization and exploitation and emphasize timely action to reduce risks to missing wards. Agency management is responsible for planning, organizing, directing, and controlling its programs.

The audit made nine recommendations to DCFS to improve its reporting and locating of missing children. The audit concluded that, given the noncompliance with DCFS procedures identified in the audit and a lack of reliable data to determine whether missing child procedures are being followed, management controls need to be strengthened with an increased emphasis on compliance.

Regarding the number of missing children, auditors found that DCFS did not have annual reports for management on the total number of missing wards during the year and the location from where they went missing. DCFS estimated 2,800 to 3,100 wards went missing 26,500 to

29,200 times during CY 2011-2012 (combined) but the data had limitations and was not complete.

Auditors made the following recommendations concerning the number of children reported missing:

- DCFS should report the number of missing wards annually to its management, as well as other information which may be needed to effectively carry out its responsibilities regarding missing children.
- DCFS needs to emphasize to employees the importance of entering data correctly and require supervisors to check that the data is in fact entered accurately.
- DCFS should improve controls to ensure that the Child Location and Support Unit (CLSU) is immediately informed when a DCFS caseworker is notified that a ward has gone missing.

Regarding the timeliness of DCFS' actions to report and locate missing children, auditors did not find a date recorded in the applicable Statewide Automated Child Welfare Information System (SACWIS) reports or in case notes for when the caseworker first learned a ward was missing. Thus, auditors could not determine if procedures were being followed in a timely manner.

Auditors made the following recommendations concerning the timeliness of actions to report and locate missing children:

- DCFS should establish:
 - A field in SACWIS to require caseworkers to enter the date and time when they first learned about a missing ward;
 - Procedures for the caseworkers to acknowledge notification of the missing ward; and
 - A process to ensure that searches are conducted for missing wards in a timely manner.
- DCFS should ensure that all its internal forms are completed in a timely manner. In addition, DCFS should debrief missing wards when they are found, and document the interview.
- DCFS should comply with its written procedures which require that supervisory meetings with caseworkers be documented.

Regarding compliance with procedures to locate and recover missing children, auditors found that formal training has not been provided in the past 10 years and should be provided to ensure that DCFS' missing child reporting and locating procedures are being followed, so that the search can commence immediately in compliance with procedures. Also, the process for searching for missing wards has not been internally reviewed in years and CLSU managers have not conducted an assessment to determine if caseworkers are complying with procedures.

Auditors made the following recommendations concerning compliance with procedures to locate and recover missing children:

- DCFS should provide training to its caseworkers and supervisors on missing children;
- DCFS should review its search procedures for missing children for possible modifications; and
- DCFS should establish a function to monitor actions taken by caseworkers and supervisors to report and locate missing children, and to report to management the degree to which the Department's policies and procedures are being followed.

DCFS agreed with the recommendations and stated that it would review and revise its procedures and provide training to staff.

Management Audit of the Law Enforcement Training and Standards Board's Use of Moneys Appropriated from the Death Certificate Surcharge Fund

The Vital Records Act (410 ILCS 535/25) provides for a two dollar surcharge fee for obtaining a certified copy of a death certificate. This fee is mandated to be deposited into the Death Certificate Surcharge Fund (Fund). Subject to appropriation, 25 percent of the moneys in the Fund may be used by the Illinois Law Enforcement Training and Standards Board (LETSB) for the purpose of training coroners, deputy coroners, forensic pathologists, and police officers for homicide investigations. House Resolution 383 directed the Auditor General to perform a management audit of the Board's use of moneys from the Fund.

For the four-year period FY10 through FY13, LETSB was appropriated \$1,576,000 from the Fund. Of the \$1,576,000, LETSB expended \$1,563,997 or 99% of funds appropriated. The majority of moneys expended by LETSB from the Fund for FY10 through FY13, \$1,331,633, or 85% of the total expenditures, were for reimbursements to Mobile Team In-Service Training Units (MTUs) for training provided.

The Management Audit contained eight findings concerning voucher approval, guidelines, training funds, list of coroners, coroner training, homicide training needs, procurement of training, and delivery of training. According to updated responses from LETSB, five of the recommendations are implemented. The recommendations pertaining to coroner training, homicide training needs, and procurement of training are accepted and partially implemented. The Office of the Auditor General will follow up on the implementation of the remaining recommendations in the next audit of the LETSB.

Management Audit of State's Procurement of Inmate Telephone Service Vendors

Senate Resolution Number 122 directed the Auditor General to conduct a Management Audit of the State's procurement of inmate telephone service vendors. A vendor provides inmate collect calling services and pays the State a commission on all completed calls. Both the Department of Central Management Services (CMS) and the Department of Corrections (Corrections) receive a portion of the commission payments. During the 29-month period

examined, Corrections received \$13.4 million in commission payments while CMS received \$18.1 million.

In June 2012, CMS awarded the inmate collect calling contract through an invitation for bids process. The procurement resulted in lower costs to users under the new contract compared to the previous contract. During the 29-month period examined, the average cost under the previous contract was \$5.82 per call while the average cost under the new contract was \$3.87 per call.

The Management Audit contained six findings directed to CMS concerning responding to vendor questions, mandatory site visits, procurement method, pricing evaluation, contract amendment and contract monitoring. According to updated responses provided, CMS partially accepts the first two recommendations. Recommendation #3 is implemented. The last three recommendations are accepted. The Office of the Auditor General will follow up on these recommendations in its next compliance audit of CMS.

Regional Offices of Education

The Commission received 46 of the annual financial audits of the 44 **Regional Offices of Education** and the three **Intermediate Service Centers**. Many of the recommendations concerned insufficient internal controls over the financial reporting process.

Special Inquiries

The State Auditing Act also provides for several different types of audits, including special reports and investigations. The Act defines an investigation as an inquiry into specified acts or allegations of impropriety, malfeasance, or nonfeasance in the obligation, expenditure, receipt, or use of public funds. Investigations are initiated by resolution of the General Assembly or by the Legislative Audit Commission. The Auditor General may also at any time make informal inquiries of a State agency. Such inquiries are not in the nature of an audit, and are usually initiated at the request of a member of the General Assembly. The Audit Commission requested no special audits in 2015.

Legislative Program

One of the purposes of the audit review program is to identify and act on problems requiring a legislative solution. The Governor signed the following bills changing the statutes as recommended by audit reports or Audit Commission members.

House Bill 303—Provides that all severance agreements entered into by or on behalf of a public body are public records. (PA99-0478)

House Bill 422—Requires the actuary of each of the five State-funded systems to conduct an investigation of the system at least once every three (rather than 5) years. (PA99-0232)

House Bill 1530—Establishes standards for DCFS temporary shelters. (PA99-0339)

House Bill 2731—Requires monthly reports on the enrollment of persons in the State’s medical assistance program on the DHFS website. (PA99-0086)

House Bill 3133—Allows the Health Facilities and Services Review Board to accept in-kind services instead of or in combination with the imposition of a fine. (PA99-0114)

House Bill 3311—Requires that once each calendar month, the Department of Human Services shall cross-reference its roster of public aid recipients with the death records information from the Department of Public Health. (PA99-0087)

House Bill 3593—Allows that severance terms in community college contracts may not exceed one year’s salary and applicable benefits. (PA99-0482)

Senate Bill 1775—Requires that missing children in the care of DCFS and placed in residential facilities to be reported to police. (PA99-0351)

Other Duties and Responsibilities

The General Assembly has assigned the Audit Commission a variety of duties and responsibilities in addition to its principal duty to review the post audit program in Illinois.

Review of Emergency Purchases

The Illinois Procurement Code (30 ILCS 500/) states, “It is declared to be the policy of the State that the principles of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts...” The law also recognizes that there will be emergency situations when it will be impossible to conduct bidding. It provides a general exemption when there exists a threat to public health or public safety, or when immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State Property, to prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues, or to ensure the integrity of State records; provided, however that the term of the emergency purchase shall not exceed 90 days. A contract may be extended beyond 90 days if the chief procurement officer determines additional time is necessary and that the contract scope and duration are limited to the emergency. Prior to the execution of the extension, the chief procurement officer must hold a public hearing and provide written justification for all emergency contracts. Members of the public may present testimony.

Notice of all emergency procurement shall be provided to the Procurement Policy Board and published in the online electronic Bulletin no later than 3 business days after the contract is awarded. Notice of intent to extend an emergency contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 days before the public hearing. A chief procurement officer making such emergency purchases is required to file an affidavit with the Procurement Policy Board and the Auditor General. The affidavit is to set forth the circumstance requiring the emergency purchase.

The LAC receives quarterly reports of all emergency purchases. A report on these purchases are distributed to all members and considered at regular Commission meetings. An annual analysis is also performed to detect trends and possible patterns of abuse. A comparative summary of emergency purchases reported during the period ended December 31, 2015 appears on page 31 in Appendix C.

Each emergency transaction is reviewed to establish that:

- An “emergency,” as defined in the Illinois Purchasing Act, actually existed;
- The action taken by the agency was appropriate under the circumstances; and
- Steps were taken whenever possible to obtain bids or competitive quotations in order to obtain the most favorable terms for the State.

There were 115 affidavits for emergency purchases filed in 2015 totaling approximately \$61.6 million. Presented below is a compilation of 2015 emergency purchases in dollar categories.

Under \$10,000	9
\$10,000 - \$100,000	50
Over \$100,000	56

Included in the above summary were nine emergency purchases exceeding \$500,000 as follows:

\$1,216,137.77 to the Department of Natural Resources to repair embankment and protect the structural integrity of the Hennepin Canal in Bureau County due to severe erosion caused by Bureau Creek.

\$850,000.00 to the Department of Human Services for replacement of three absorbers at the Murray Developmental Center in Centralia. Two temporary chillers are being rented to cool four buildings.

\$529,821.00 to the Department of Human Services for repair of two turbines which provide power to the Choate Developmental Mental Health Center.

\$2,219,101.00 to Capital Development Board to provide immediate upgrades to the domestic water system at the Illinois Veterans’ Home in Quincy after a confirmed outbreak of Legionella disease.

\$1,100,000.00 to Chicago State University for a new vendor to provide dining, catering and concession services to students. The University is currently without a vendor to provide these services. In addition, the University is incapable of supporting or rendering requests for internal or external events for catering and concession services.

\$825,000.00 to the University of Illinois to continue access to electronic library content for the colleges and universities belonging to the Consortium of Academic Research Libraries in Illinois. Student and faculty access to library content is critical. Due to a recent change in the Procurement Code, the University could no longer use the sole source provider exemption and had to write a new contract for this service.

\$36,000,000.00 to the University of Illinois to continue a contract for 90 days to purchase pharmaceuticals used by the University's clinics. The sole source provider was denied due to the objections of other vendors. The University is now working on an RFP.

\$2,321,640.00 to the University of Illinois for the purchase of construction services necessary to make CUPPA Hall at the University of Illinois at Chicago open for reoccupation by the College of Urban Planning and Public Administration, as well as classrooms and offices for faculty, staff, and students, prior to the first day of classes in August, 2016. Damage was done to the building from nearby IDOT expressway work, rendering it unsafe to occupy.

\$3,871,000.00 to the University of Illinois for the purchase of a daVinci Xi Single Console Firefly Fluorescence Imaging Enabled Robotic System for the Hospital's Surgical Services to use to perform a variety of complex surgical procedures. The System was available at a deep discounted price for a limited time.

Travel Control

The Legislative Audit Commission has the responsibility to monitor the quarterly reports of the various travel control boards established pursuant to statute. There are 10 separate boards governing the employees of the legislative branch, each constitutional officer, the State Board of Education, and higher education institutions. The chairs of the 10 travel control boards together comprise the Travel Regulation Council. The Travel Regulation Council establishes the State travel regulations and reimbursement rates, which shall be applicable to all personnel subject to the jurisdiction of the various travel control boards. These 10 travel control boards have the duty to establish the maximum rate permitted for the reimbursement of their respective employee travel expenses which may be more restrictive than those established by the Council.

Each State agency is required to file reports of all of its officers and employees for whom official headquarters have been designated at a location other than that at which official duties require them to spend the largest part of their working time. Such reports are to be filed semi-annually with the Legislative Audit Commission and the Commission is to comment on all such reports.

A summary of travel headquarter reports for 2015 and the number of individuals who spend the largest part of their working time away from their designated headquarters, appears in Appendix D on pages 32-34.

Bids Awarded to Other Than the Lowest Bidder

As a result of PA96-795, the Legislative Audit Commission reviews information on the awarding of contracts to other than the lowest bidder. The statute states that a contract shall be awarded to the lowest responsible and responsive bidder except when a State purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The written explanation shall appear in the Illinois Procurement Bulletin and be filed with the Legislative Audit Commission and the Procurement Policy Board. The following agency awarded contracts to other than the lowest bidders:

- Illinois Housing Development Authority—award for \$1,000,000.00 for litigation, real estate, employment, labor, and special tax legal counsel services to six bidders who were the most qualified offerors (22035126).
- Illinois Housing Development Authority—award for \$1,000,000.00 for issuers, bond, and underwriter’s legal counsel services to 11 bidders who scored highest on the evaluation criteria for their respective categories of legal work (22035104).

Audit of the Office of the Auditor General

The Legislative Audit Commission is responsible for the biennial compliance examination of the Office of the Auditor General, which is performed by independent certified public accountants under a contract with the Commission. The auditors follow the same instructions and standards applicable to all audits performed pursuant to the Illinois State Auditing Act. To assure the independence of the examination, the Commission requires that the contract auditor cannot participate in the audit program administered by the Auditor General. In addition, after the completion of three examinations, a different firm must be selected. The most recent compliance examination covered the two years ended June 30, 2015. There were no material findings of noncompliance disclosed during the auditors’ tests.

Rules and Regulations of the Office of the Auditor General

The Legislative Audit Commission has oversight responsibility for rulemakings of the Auditor General. The Commission is given an opportunity, by statutory authority, to comment on all proposed rules of the Office. The Auditor General’s Office adopted one rulemaking in 2015. Amendments to Purchases and Contracts (44 IAC 500; 38 Ill Reg 22295) were adopted effective March 1, 2015, to align the Office’s procurement rules with recent statutory revisions.

Search for Auditor General Candidates

The Legislative Audit Commission is directed by statute (30 ILCS 5/2-3) to diligently search out qualified candidates for the Office of the Auditor General and make recommendations to the General Assembly at the close of an Auditor General's 10-year term or whenever there is a vacancy in the Office. When Auditor General William G. Holland notified the Legislative Audit Commission of his intention to retire effective December 31, 2015, the Audit Commission appointed from among its membership a Subcommittee on the Search for Auditor General Candidates. The Subcommittee set a plan into motion advertising the search and notifying the media and interested organizations and individuals about the search. Notices of the upcoming vacancy and the application process were posted on a variety of websites, on-line publications, in ads in four daily newspapers, and sent directly to individuals with the specific intent of attracting individuals to apply with experience in auditing, accounting, administration, law, or state government. The Audit Commission received 14 applications from interested persons. From that list, seven candidates were invited to interview for the position before the entire Audit Commission. The Commission recommended to the General Assembly that Frank J. Mautino be appointed Auditor General. Both Houses passed Senate Joint Resolution 35 appointing Frank J. Mautino to a ten-year term as Auditor General commencing January 1, 2016.

Office of the Legislative Audit Commission

Audit Commission members monitor all expenditures of the Audit Commission. Below is a summary of expenditures made from appropriations for Fiscal Year 2015 and an interim report as of January 1, 2016.

I. Financial Statement - Year Ended June 30, 2015			
<u>Expenditure Object</u>	<u>Appropriation</u>	<u>Expended</u>	<u>Lapsed</u>
Personal services		\$ 211,315	
Retirement, Employer		7,486	
Social security		15,877	
Contractual services		1,303	
Travel		3,530	
Commodities		851	
Printing		791	
Equipment		514	
Electronic data processing		-0-	
Telecommunications		<u>1,461</u>	
TOTAL	\$ 273,100	\$ 243,127	\$ 29,973

II. Status of FY16 Appropriation at January 1, 2016

<u>Expenditure Object</u>	<u>Appropriation</u>	<u>Expended</u>	<u>Balance</u>
Personal services		\$ 106,128	
Retirement, Employer		4,043	
Social security		7,940	
Contractual services		6,278	
Travel		1,230	
Commodities		62	
Printing		-0-	
Equipment		-0-	
Electronic data processing		126	
Telecommunications		<u>496</u>	
TOTAL	\$ <u>251,600</u>	\$ <u>126,306</u>	\$ <u>125,294</u>

There were no material findings of noncompliance disclosed in the compliance examination of the Legislative Audit Commission performed by the Office of the Auditor General for the two years ended June 30, 2015.

APPENDIX A
Financial Audits and Compliance Examinations
(For FY2014 unless otherwise indicated)

CONSTITUTIONAL OFFICERS

Office of the Attorney General
Office of the Comptroller, Fiscal Officer Responsibilities
Office of the Comptroller
Office of the State Treasurer, College Savings Program
Office of the State Treasurer, Fiscal Officer Responsibilities
Office of the State Treasurer, Change Over Audit

CODE DEPARTMENTS

Department of Children and Family Services
Department of Corrections
Department of Commerce and Economic Opportunity
Department of Corrections, Correctional Industries
Department of Financial and Professional Regulation
Department of Healthcare and Family Services
Department of Human Services
Department of Lottery
Department of Transportation

LEGISLATIVE AGENCIES

General Assembly Retirement System
Joint Committee on Administrative Rules
Legislative Information System

OTHER AGENCIES

Capital Development Board
Environmental Protection Trust Fund Commission
Executive Ethics Commission
Illinois Conservation Foundation
Illinois Commerce Commission, Limited Scope Compliance Examination
Wireless Emergency Telephone Safety Act
Illinois Criminal Justice Information Authority
Illinois Finance Authority, 2014
Illinois Finance Authority, 2013
Illinois Housing Development Authority
Illinois International Port District, July 2013
Illinois Mathematics and Science Academy
Illinois Power Agency
Illinois State Board of Investment

Illinois State Toll Highway Authority, FY11, FY12 and FY13
IMSA Fund for Advancement of Education
Judicial Inquiry Board
Judges' Retirement System
Law Enforcement Training and Standards Board
Mid-America Medical District Commission
Office of the Appellate Defender
Office of the State's Attorney Appellate Prosecutor
Office of the State Fire Marshal
Pollution Control Board
Prisoner Review Board
Procurement Policy Board
Property Tax Appeal Board
Railsplitter Tobacco Settlement Authority
Southwestern Illinois Development Authority, Limited Scope Compliance Examination
State Employees' Retirement System
State Police Merit Board
State's Procurement of Inmate Telephone Service Vendors
State Universities Retirement System
Sex Offender Management Board
Teachers' Retirement System
Village of Robbins' Use of Municipal Economic
Development Funds
Workers' Compensation Commission

HIGHER EDUCATION

Chicago State University
Eastern Illinois University, FY13 and FY14
Governors State University
Illinois State University
Northeastern Illinois University
Southern Illinois University
Southern Illinois University, Housing and Auxiliary Facilities
System and Medical Facilities System

REGIONAL OFFICES OF EDUCATION

Adams and Pike Counties, No. 1
Alexander, Johnson, Massac, Pulaski and Union Counties, No. 2
Bond, Fayette and Effingham Counties, No.3
Boone and Winnebago Counties, No. 4
Carroll, JoDaviess and Stephenson Counties, No. 8
Champaign and Ford Counties, No. 9
Christian and Montgomery Counties, No. 10
Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties No. 11

Clay, Crawford, Jasper, Lawrence and Richland Counties, No. 12
Clinton, Marion and Washington Counties, No. 13
DeKalb County, No. 16
Dewitt, Livingston and McLean Counties, No. 17
DuPage County, No. 19, FY11 and FY12
Edwards, Hardin, Gallatin, Pope, Saline, Wabash, Wayne and White Counties, 20
Franklin and Williamson Counties, No. 21
Fulton and Schuyler Counties, No. 22
Grundy and Kendall Counties, No. 24
Hamilton and Jefferson Counties, No. 25
Henderson, Mercer and Warren Counties, No. 27
Jackson and Perry Counties, No. 30
Kane County, No. 31
Knox County, No. 33
Lake County, No. 34
LaSalle County, No. 35
Logan, Mason and Menard Counties, No. 38
Macon and Piatt Counties, No. 39
Calhoun, Greene, Jersey and Macoupin Counties, No. 40
Madison County, No. 41
Monroe and Randolph Counties, No. 45
Brown, Cass, Morgan and Scott Counties, No. 46
Lee and Ogle Counties, No. 47
Peoria County, No. 48
St. Clair County, No. 50
Tazewell County, No. 53
Vermilion County, No. 54
Whiteside County, 55
Will County, No. 56
Intermediate Service Center, No. 2
North Cook Intermediate Service Centers, No. 1
South Cook Intermediate Service Centers, No. 4

OTHER

Chicago Transit Authority's Retiree Health Care Trust
Chicago Transit Authority, Retirement Plan
Decatur Metropolitan Exposition, Auditorium and Office Building Authority
Management Audit of DCFS' Search for Missing Children, Department of Children
and Family Services
Management Audit of the Law Enforcement Training and Standards Board's Use of
Moneys Appropriated from the Death Certificate Surcharge Fund
Management Audit of State's Procurement of Inmate Telephone Service Vendors
Management Audit of Illinois International Port District

APPENDIX B

Agencies Appearing Before Commission

(For FY2014 unless otherwise indicated)

	<u>Audit Recommendations</u>	
	<u>Total</u>	<u>Repeated</u>
CODE DEPARTMENT		
Department of Children and Family Services	17	13
Statewide Single Audit	6	3
Management Audit – Search for Missing Children	9	n/a
Department of Commerce and Economic Opportunity	11	6
Statewide Single Audit	2	2
Department of Corrections	34	28
Department of Financial and Professional Regulation	13	9
Department of Healthcare and Family Services	8	3
Statewide Single Audit FY13		
Department of Human Services, FY12-13	38	27
Statewide Single Audit FY13	13	9
Department of Lottery	7	2
Department of Transportation		
Statewide Single Audit FY13	15	12
OTHER AGENCIES		
Illinois Finance Authority, FY13	11	6
Illinois Housing Development Authority	11	2
Illinois Power Agency, FY13	23	12
Workers' Compensation Commission, FY12-13	10	4
HIGHER EDUCATION		
Chicago State University	20	8
Northeastern Illinois University	15	8
Southern Illinois University	19	6

APPENDIX C
Emergency Purchase Transactions
Calendar Year 2015

	Number	Anticipated Cost
CONSTITUTIONAL OFFICERS		
Auditor General	2	\$ 167,800
CODE DEPARTMENTS		
Central Management Services	16	1,246,004
Corrections	6	408,283
Human Services	21	3,583,514
Military Affairs	1	129,254
Natural Resources	1	1,216,138
Public Health	1	30,000
State Police	5	419,098
Transportation	10	1,381,321
Veterans' Affairs	2	377,180
OTHER AGENCIES		
Capital Development Board	5	2,530,171
Finance Authority	1	74,850
Math & Science Academy	1	56,363
Toll Highway Authority	1	0
UNIVERSITIES		
Chicago State University	1	1,100,000
Governors State University	1	165,252
Illinois State University	3	382,417
Northern Illinois University	3	267,128
Southern Illinois University	1	80,000
University of Illinois	<u>33</u>	<u>48,037,650</u>
GRAND TOTAL	<u>115</u>	<u>\$ 61,652,423</u>

APPENDIX D
Travel Headquarter Reports
July 16, 2015 – January 15, 2016

CONSTITUTIONAL OFFICERS	<u>Reported</u>
Attorney General	0
Auditor General	0
Comptroller	18
Office of the Governor	0
Executive Ethics Commission	0
Inspector General	0
Lieutenant Governor	19
Secretary of State	221
State Treasurer	4
JUDICIAL AGENCIES	
Administrative Office of the Illinois Courts	0
Judges' Retirement System	0
State Appellate Defender	0
State's Attorney Appellate Prosecutor	4
Supreme Court Historic Preservation Commission	0
Court of Claims	0
LEGISLATIVE AGENCIES	
Commission on Government Forecasting & Accountability	0
General Assembly	
House – Democratic Clerk/Fiscal	0
House – Democrat Leadership	14
House – Republican	2
Retirement System	0
Senate	0
Joint Committee on Administrative Rules	0
Legislative Audit Commission	0
Legislative Ethics Commission	0
Legislative Information System	0
Legislative Inspector General	0
Legislative Printing Unit	0
Legislative Reference Bureau	0
Legislative Research Unit	0
Office of the Architect of the Capitol	0
CODE DEPARTMENTS	
Department of Agriculture	193
Department of Central Management Services	53
Department of Children and Family Services	6

Department of Commerce and Economic Development	39
Department of Corrections	443
Department of Juvenile Justice	55
Department of Employment Security	7
Department of Financial and Professional Regulation	89
Department of Healthcare and Family Services	40
Department of Human Rights	2
Department of Human Services	522
Department of Insurance	61
Department of Labor	13
Department of Lottery	0
Department of Military Affairs	10
Department of Natural Resources	179
Department of Revenue	371
Department of State Police	11
Department of Transportation	849
Department of Veterans' Affairs	0
Illinois Gaming Board	0
Illinois Racing Board	0

OTHER AGENCIES

Arts Council	0
Capital Development Board	17
Civil Service Commission	6
Commerce Commission	30
Court of Claims	0
Criminal Justice Information Authority	2
Deaf and Hard of Hearing Commission	0
Educational Labor Relations Board	5
Emergency Management Agency	0
Environmental Protection Agency	9
Executive Ethics Commission	0
Gaming Board	0
Governor's Office of Management and Budget	0
Guardianship & Advocacy Commission	1
Health Information Exchange Authority	0
Historic Preservation Agency	0
Housing Development Authority	7
Human Rights Commission	9
Illinois Board of Examiners	9
Illinois Finance Authority	1
Illinois Power Agency	1
Illinois Law Enforcement Training & Standards Board	4
Independent Tax Tribunal	0
Labor Relations Board	0
Math & Science Academy	0

Planning Council on Developmental Disabilities	0
Prisoner Review Board	14
Procurement Policy Board	0
Property Tax Appeal Board	0
State Board of Education	29
State Board of Elections	8
State Board of Investment	0
State Fire Marshal	63
State Employees' Retirement System	5
State Police Merit Board	5
State Toll Highway Authority	0
Teachers' Retirement System	0
Workers' Compensation Commission	11

HIGHER EDUCATION

Board of Higher Education	0
Chicago State University	21
Eastern Illinois University	47
Governors State University	0
Illinois State University	129
Northern Illinois University	243
Northeastern Illinois University	0
Southern Illinois University	0
State Universities Civil Service System	1
State Universities Retirement System	0
University of Illinois	0
Western Illinois University	33