

**STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
COMPLIANCE EXAMINATION**

For the Year Ended June 30, 2018

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2018

**TABLE OF CONTENTS**

		<b><u>Page(s)</u></b>
Commission Officials		1
Management Assertion Letter		2
Compliance Report:		
Summary		4
Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes		5
Schedule of Findings		
Prior Finding Not Repeated		8
Office of the Auditor General Management Audit Recommendations Update (State’s Procurement of Inmate Telephone Service Vendors)		9
Supplementary Information for State Compliance Purposes:		
Summary		11
Fiscal Schedules and Analysis		
Schedule of Appropriations, Expenditures, and Lapsed Balances Fiscal Year 2018	1	12
Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances	2	13
Schedule of Changes in State Property	3	15
Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller	4	16
Analysis of Operations (Not Examined)		
Agency Functions and Planning Program (Not Examined)		17
Analysis of Significant Variations in Expenditures (Not Examined)		19
Analysis of Significant Variations in Receipts (Not Examined)		20
Analysis of Significant Lapse Period Spending (Not Examined)		21
Analysis of Accounts Receivable (Not Examined)		22
Budget Impasse Disclosures (Not Examined)		23
Average Number of Employees (Not Examined)		24
Memorandum of Understanding (Not Examined)		25
Service Efforts and Accomplishments (Not Examined)		26

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2018

**COMMISSION OFFICIALS**

Chair	Ms. Chasity Boyce
Executive Director	Mr. Chad Fornoff
Deputy Executive Director	Vacant
General Counsel	Mr. Stephen Rotello
Chief of Staff (09/01/19 to Current)	Ms. Amy Adams
Chief of Staff (03/01/19 to 08/31/19)	Vacant
Chief of Staff (05/01/18 to 02/28/19) <sup>1</sup>	Mr. Craig Williams II
Chief Financial Officer (03/01/19 to Current)	Ms. Amy Adams
Chief Financial Officer (07/01/17 to 02/28/19)	Mr. Craig Williams II

**COMMISSION MEMBERS**

Commissioner	Mr. Walter P. Turner III
Commissioner	Mr. Shawn W. Denney
Commissioner	Ms. Amalia Rioja
Commissioner	Ms. Maria Kuzas
Commissioner	Ms. Patricia Yadgir
Commissioner	Ms. Teresa Bartels
Commissioner	Ms. Cynthia Ervin
Commissioner	Ms. Cara Hendrickson
Commissioner	Ms. Chasity Boyce

The Commission's offices are located at:

401 S. Spring Street  
513 William G. Stratton Building  
Springfield, Illinois 62706

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<sup>1</sup> The Chief of Staff position was created, effective May 1, 2018.



## EXECUTIVE ETHICS COMMISSION

STATE OF ILLINOIS

401 S. Spring Street  
513 William Stratton Building  
Springfield, Illinois 62706

Phone: (217) 558-1393  
Fax: (217) 558-1399  
Email: EEC.cms@illinois.gov

### MANAGEMENT ASSERTION LETTER

Honorable Frank J. Mautino  
Auditor General  
740 East Ash Street  
Springfield, Illinois 62703

October 07, 2019

Auditor General Mautino:

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, Executive Ethics Commission. 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, Executive Ethics Commission's compliance with the following assertions during the year ended June 30, 2018. Based on this evaluation, we assert that during the year ended June 30, 2018, the State of Illinois, Executive Ethics Commission has materially complied with the assertions below.

- A. The State of Illinois, Executive Ethics Commission 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, Executive Ethics Commission 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, Executive Ethics Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Executive Ethics Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

Yours truly,

State of Illinois, Executive Ethics Commission

**SIGNED ORIGINAL ON FILE**

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Chad Fornoff, Executive Director

**SIGNED ORIGINAL ON FILE**

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Amy Adams, Chief Financial Officer

**SIGNED ORIGINAL ON FILE**

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Stephen Rotello, General Counsel

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2018

**COMPLIANCE REPORT**

**SUMMARY**

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

**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, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

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

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
PRIOR FINDING NOT REPEATED		
A	8	Inadequate Control over Accounts Receivable

**EXIT CONFERENCE**

The Commission waived an exit conference in a correspondence from Amy Adams, the Commission's Chief of Staff and Chief Financial Officer, dated October 2, 2019.

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OFFICE OF THE AUDITOR GENERAL

FRANK J. MAUTINO

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**

We have examined the State of Illinois, Executive Ethics Commission's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the year ended June 30, 2018. The management of the State of Illinois, Executive Ethics Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Executive Ethics Commission's compliance based on our examination.

- A. The State of Illinois, Executive Ethics Commission 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, Executive Ethics Commission 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, Executive Ethics Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Executive Ethics Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

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 as adopted by the Auditor General pursuant to the Act (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 State of Illinois, Executive Ethics Commission complied, in all material respects,

with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Executive Ethics Commission complied with the specified requirements listed above. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Executive Ethics Commission's compliance with specified requirements.

In our opinion, the State of Illinois, Executive Ethics Commission complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the year ended June 30, 2018.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

### **Internal Control**

Management of the State of Illinois, Executive Ethics Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Executive Ethics Commission's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Executive Ethics Commission's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Executive Ethics Commission's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. 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 compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the year ended June 30, 2018, in Schedules 1 through 4 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2018, accompanying supplementary information in Schedules 1 through 4. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2017, accompanying supplementary information in Schedules 2 through 4 and in the Analysis of Operations Section and, accordingly, we do not express an opinion or provide any assurance on it.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK, CPA  
Director of Financial and Compliance Audits

Springfield, Illinois  
October 7, 2019

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**PRIOR FINDING NOT REPEATED**  
For the Year Ended June 30, 2018

A. **FINDING** (Inadequate Control over Accounts Receivable)

During the prior examination, the Executive Ethics Commission (Commission) did not exercise adequate control over its accounts receivable collection activities. We noted the Commission did not refer eight of eight (100%) past due accounts receivable to the Department of Revenue's Debt Collection Bureau (Bureau). Further, we noted the Commission had an inadequate method of estimating uncollectible accounts in its accounts receivable process.

During the current examination, our testing indicated the Commission referred its past due accounts receivable to the Bureau and the Commission updated its policy regarding its method of estimating uncollectible accounts in its accounts receivable process to a reasonable method. (Finding Code No. 2017-001)

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
OFFICE OF THE AUDITOR GENERAL MANAGEMENT  
AUDIT RECOMMENDATIONS UPDATE  
For the Year Ended June 30, 2018

**State's Procurement of Inmate Telephone Service Vendors**

In August 2014, the Office of the Auditor General released a management audit of the State's Procurement of Inmate Telephone Service Vendors. The audit contained six recommendations directed at various State agencies, including the Executive Ethics Commission with regards to the Chief Procurement Officer (CPO).

As part of the compliance examination of the Executive Ethics Commission for the period ended June 30, 2018, auditors followed up on the status of the recommendations related to the CPO and reported the following:

Recommendation 2	Not Implemented
Recommendation 3	Implemented

**Recommendation 2: The Department of Central Management Services and the Chief Procurement Officer for General Services should ensure that the solicitation document specifies, for procurements that include mandatory site visits, whose attendance is required to meet the mandatory attendance requirement.**

**Not Implemented:** The Chief Procurement Officer (CPO) for General Services has historically held the view point that specifying attendance at mandatory pre-submission conferences would lead to procurement delays, protests, and disqualifications. No action was taken by the CPO for General Services during the examination period. As a result, no further specification of attendance requirements were added to the solicitation documents. However, effective August 29, 2019, the CPO for General Services issued Notice 2020.03 (Notice), which introduced the use of a sign-in form for all pre-submission conferences. This form will become part of the procurement file, and a vendor's representation on this form evidences compliance with a solicitation that requires mandatory attendance requirements. Additionally, the Notice requires agencies to clearly explain the reason for attendance limitations or specifications, if any, within the solicitation document. We will test implementation of this form during the next examination.

**Recommendation 3: The Department of Central Management Services and the Chief Procurement Officer for General Services should evaluate the different options available, determine the appropriate procurement method to use, and document the reasons the procurement method was selected.**

**Implemented:** The State Purchasing Officer (SPO) and agency procurement staff have frequent contact and communicate regularly via weekly procurement meetings, phone, email, etc. The evaluation of different procurement options available and determining the appropriate procurement method to use occurs informally during the initial discussions regarding upcoming procurements between agency procurement staff and the SPO. As each procurement method has its own solicitation document template, it is necessary for this agreement to occur prior to the agency drafting the solicitation document. The procurement process for agencies under the Chief

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**OFFICE OF THE AUDITOR GENERAL MANAGEMENT**  
**AUDIT RECOMMENDATIONS UPDATE**  
For the Year Ended June 30, 2018

Procurement Officer (CPO) for General Services fully transitioned to a single source e-procurement system, BidBuy, during the examination period. By May 2018, all such agencies were using BidBuy. BidBuy, increases transparency throughout the procurement process as the SPO has visibility into all activity and steps taken by an agency in preparing a solicitation document. Throughout the preparation process the SPO often gives feedback and notes revisions needed to improve the document. The SPO must review and approve the solicitation document in order for it to be posted for public viewing. Approval at this step formally signifies the SPO's agreement with the procurement method.

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2018

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2018

- Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances

- Schedule of Changes in State Property

- Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller

- Analysis of Operations (Not Examined):

- Agency Functions and Planning Program (Not Examined)

- Analysis of Significant Variations in Expenditures (Not Examined)

- Analysis of Significant Variations in Receipts (Not Examined)

- Analysis of Significant Lapse Period Spending (Not Examined)

- Analysis of Accounts Receivable (Not Examined)

- Budget Impasse Disclosures (Not Examined)

- Average Number of Employees (Not Examined)

- Memorandum of Understanding (Not Examined)

- Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2018, accompanying supplementary information in Schedules 1 through 4. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section and, accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Expenditure Authority for Fiscal Year 2018

For the Fifteen Months Ended September 30, 2018

Public Act 100-0021	Expenditure Authority (Net of Transfers)	Approximate		Approximate	
		Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
FISCAL YEAR 2018					

**APPROPRIATED FUNDS**

GENERAL REVENUE FUND - 0001

Ordinary and Contingent Expenses	\$ 6,118,900	\$ 5,776,636	\$ 124,850	\$ 5,901,486	\$ 217,414
<b>GRAND TOTAL - ALL FUNDS</b>	<b>\$ 6,118,900</b>	<b>\$ 5,776,636</b>	<b>\$ 124,850</b>	<b>\$ 5,901,486</b>	<b>\$ 217,414</b>

- Note 1: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and have been reconciled to Commission records.
- Note 2: Expenditure amounts are vouchers approved for payment by the Commission and submitted to the State Comptroller for payment to the vendor.
- Note 3: Approximate lapse period expenditures do not include interest payments approved for payment by the Commission and submitted to the State Comptroller after September 30, 2018.
- Note 4: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Commission to pay for all costs incurred prior 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 23 includes information from Commission management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Commission to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30, 2018 and 2017

	Fiscal Year	
	2018	2017
	P.A. 100-0021	P.A. 99-0524 and Court-Ordered Expenditures
<b>APPROPRIATED FUNDS</b>		
<b>General Revenue Fund - 0001</b>		
Appropriations (Net of Transfers)	\$ 6,118,900	
Expenditures		
Personal Services	\$ -	\$ 5,341,217
Ordinary and Contingent Expenses	\$ 5,901,486	\$ -
Total Expenditures	\$ 5,901,486	\$ 5,341,217
Lapsed Balances	\$ 217,414	
<b>Budget Stabilization Fund - 0686</b>		
Appropriations (Net of Transfers)	\$ -	\$ 150,000
Expenditures		
Ordinary and Contingent Expenses	\$ -	\$ 150,000
Total Expenditures	\$ -	\$ 150,000
Lapsed Balances	\$ -	\$ -
<b>GRAND TOTAL - ALL FUNDS</b>		
Appropriations (Net of Transfers)	\$ 6,118,900	\$ 150,000
Total Expenditures	\$ 5,901,486	\$ 5,491,217
Total Lapsed Balances	\$ 217,414	\$ -

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and September 30, 2017, and have been reconciled to Commission records.

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

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30, 2018 and 2017

- Note 3: Approximate Lapse Period expenditures do not include interest payments approved for payment by the Commission and submitted to the State Comptroller after September 30, 2018.
- Note 4: 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 supercede any court order directing the expenditure of funds and states such payments are added to the appropriations granted by the General Assembly, the Commission 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. Further, the Commission incurred non-payroll obligations within Fund 001, which the Commission was unable to pay until the passage of Public Act 100-0021.
- Note 5: Public Act 99-0524 authorized the Commission to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 23 includes information from Commission management about the number of invoices and the total dollar amount of invoices held by the Commission submitted against its Fiscal Year 2017 appropriation.
- Note 6: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Commission to pay for all costs incurred prior 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 23 includes information from Commission management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Commission to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.



STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Year Ended June 30, 2018

	<u>Equipment</u>
Balance at July 1, 2017	\$ 243,539
Additions	4,936
Deletions	(3,515)
Net Transfers	<u>-</u>
Balance at June 30, 2018	<u><u>\$ 244,960</u></u>

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

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND  
RECONCILIATION OF CASH RECEIPTS TO DEPOSITS  
REMITTED TO THE STATE COMPTROLLER**

For the Year Ended June 30,

	Fiscal Year	
	2018	2017
<b>General Revenue Fund - 0001</b>		
Administrative Fines	\$ 3,304	\$ 5,036
Miscellaneous	47,961	750
Total Cash Receipts per Commission Records	<u>51,265</u>	<u>5,786</u>
Plus - In Transit at Beginning of Year	-	-
Less - In Transit at End of Year	1,024	-
Total Cash Receipts per State Comptroller's Records	<u><u>\$ 50,241</u></u>	<u><u>\$ 5,786</u></u>

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Year Ended June 30, 2018  
(Not Examined)

**AGENCY FUNCTIONS**

The Executive Ethics Commission (Commission) was originally created by the State Officials and Employees Ethics Act (Act) (5 ILCS 430/1-1 et seq.). The Commission consists of nine commissioners appointed by the five executive branch constitutional officers. The Governor appoints five of the nine Commissioners, and the Attorney General, Secretary of State, Treasurer, and Comptroller each appoint one.

The jurisdiction of the Commission extends to all officers and employees of State agencies other than the General Assembly, the Senate, the House of Representatives, the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, the Senate Operations Commission, the legislative support services agencies, and the Office of the Auditor General. The Commission also has jurisdiction over all board members and employees of Regional Transit Boards, the Illinois Power Agency and its staff. The Commission's jurisdiction further extends to all chief procurement officers (CPOs), procurement compliance monitors (PCMs), and their respective staffs over matters arising under the Illinois Procurement Code (30 ILCS 500) (Code) where explicit authority is noted.

The Act charges the Commission with the following duties:

- Promulgate rules governing the performance of Commission duties and governing the investigations of the Executive Inspectors General;
- Conduct administrative hearings on investigations brought before the Commission by an Executive Inspector General;
- Receive periodic reports from the Executive Inspectors General and the Attorney General regarding ongoing and completed investigations;
- Prepare and publish manuals and guides and oversee training of executive agency employees;
- Prepare public information materials to facilitate compliance, implementation, and enforcement of the Act;
- Make rulings, issue recommendations, and impose administrative fines on ethics cases brought before the Commission;
- Issue subpoenas with respect to matters pending before the Commission;
- Appoint Special Executive Inspectors General to investigate Executive Inspectors General or to pursue investigations of executive agency ethical misconduct allegations that have failed to be resolved within six months;

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Year Ended June 30, 2018  
(Not Examined)

- Receive reports of ex parte communications that each agency and constitutional officer is required to file with the Commission;
- Liaise with Ethics Officers of various Executive Branch offices and agencies; and,
- Provide oversight for the Illinois Power Agency, including appointing and, if necessary, removing its Director.

The Code charges the Commission with the following duties:

- Appoint and establish the salaries of CPOs and PCMs to oversee and review procurements and the procurement process;
- Conduct administrative hearings on a complaint, or possible removal, of a PCM, or State Purchasing Officer (SPO) brought before the Commission by a CPO or an executive officer of a State agency;
- Grant exemptions requested by the CPOs to remove named individuals from conflict of interest prohibitions; and,
- Promulgate rules governing the reporting of procurement communications.

The Commission is charged with various other duties, including:

- Conducting administrative hearings on a complaint or possible removal of a Chief Internal Auditor;
- Preparing, publishing, and receiving Supplemental Statements of Economic Interest required to be filed by certain executive branch officers and employees under the jurisdiction of the Governor; and,
- Reviewing and approving in advance exceptions to the gift ban related to educational missions and travel for meetings to discuss State business.

### **AGENCY PLANNING**

The Commission is an adjudicative and monitoring body with its powers and duties detailed in the Act, the Illinois Procurement Code, and the Fiscal Control and Internal Auditing Act. The Commission operates to fulfill the statutory responsibilities in a timely and efficient manner. The Commission documents its long-term and short-term goals in the Public Accountability Report (PAR) and the Budgeting for Results Report.

The Commission's administrative rules help implement and communicate the responsibilities set forth in the Act.

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Year Ended June 30, 2018  
(Not Examined)

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

**General Revenue Fund - 0001**

Personal Services

The decrease is due to the Commission not receiving an appropriation from the General Revenue Fund (Fund 0001) and only being authorized to make payroll expenditures from Fund 0001 during Fiscal Year 2017 as a result of the budget impasse. During Fiscal Year 2018, the Commission received a lump sum appropriation from Fund 0001 for ordinary and contingent expenses.

Ordinary and Contingent Expenses

The increase is due to a new appropriation to the Commission from the General Revenue Fund (Fund 0001) in Fiscal Year 2018. The Commission did not receive an appropriation from Fund 0001 during Fiscal Year 2017 as a result of the budget impasse.

**Budget Stabilization Fund - 0686**

Ordinary and Contingent Expenses

The decrease is due to a new appropriation to the Commission from the Budget Stabilization Fund (Fund 0686) in Fiscal Year 2017 as a result of the budget impasse. During Fiscal Year 2018, the Commission did not receive an appropriation from Fund 0686.

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Year Ended June 30, 2018  
(Not Examined)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2018 AND 2017**

**General Revenue Fund – 0001**

Miscellaneous

The increase was due to the number of Prohibited Political Contributions (PPCs) made in violation of the Illinois Procurement Code (30 ILCS 500/50-37(e)). In Fiscal Year 2017, the Chief Procurement Offices (CPOs) only identified two PPCs that were paid to the Commission, and in Fiscal Year 2018, the CPOs identified fifteen. Fiscal Year 2018 also included an election year, which typically leads to an increased number of PPCs compared to non-election years.

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Year Ended June 30, 2018  
(Not Examined)

There was no significant spending noted during Fiscal Year 2018 Lapse Period.

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**ANALYSIS OF ACCOUNTS RECEIVABLE**  
For the Year Ended June 30, 2018  
(Not Examined)

Aging of Accounts Receivable, per Commission records, were as follows:

<u>General Revenue Fund - Fund 0001</u>	<u>2018</u>	<u>2017</u>
Current	\$ 2,500	\$ 1,000
1-30 days	-	-
31-90 days	-	-
91-180 days	-	-
181+ days past due	<u>7,048</u>	<u>5,302</u>
Accounts Receivable Gross Balance	9,548	6,302
Less: Estimated Uncollectibles	-	(100)
Accounts Receivable Net Balance	<u>\$ 9,548</u>	<u>\$ 6,202</u>

These amounts represent receivables related to administrative fines and prohibited political contributions.



STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**BUDGET IMPASSE DISCLOSURES**  
For the Year Ended June 30, 2018  
(Not Examined)

Payment of Prior Year Costs in Future Fiscal Years

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

		FISCAL YEAR 2016 INVOICES	
		Paid From Fiscal Year 2018 Appropriations	
Fund #	Fund Name	Number	Dollar Value
001	General Revenue Fund	34	\$ 158,705

		FISCAL YEAR 2017 INVOICES	
		Paid From Fiscal Year 2018 Appropriations	
Fund #	Fund Name	Number	Dollar Value
001	General Revenue Fund	111	\$ 223,080

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**AVERAGE NUMBER OF EMPLOYEES**  
For the Year Ended June 30, 2018  
(Not Examined)

The following table, prepared from Commission records, presents the average number of employees by function, for the Fiscal Years ended June 30,

<u>Division</u>	<u>2018</u>	<u>2017</u>
Administration	12	11
Procurement Compliance Monitoring	10	12
Procurement Officers and Supporting Staff:		
Capital Development Board	5	5
Department of Transportation	3	3
General Services	26	26
Higher Education	11	10
Total Average Full-Time Employees	<u>67</u>	<u>67</u>

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**MEMORANDUM OF UNDERSTANDING**  
For the Year Ended June 30, 2018  
(Not Examined)

The Commission had one Memorandum of Understanding (MOU) in effect during the examination period with the Office of the State Comptroller (Comptroller). It went into effect on November 19, 2013, and the MOU defines the roles and responsibilities of the Commission and the Comptroller in regards to the Commission's direct entry of payment voucher documents into the Statewide Accounting Management System (SAMS).

STATE OF ILLINOIS  
EXECUTIVE ETHICS COMMISSION  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
For the Year Ended June 30, 2018  
(Not Examined)

The Executive Ethics Commission (Commission) maintained a website for State employees and the general public. This website outlines information about the Commission and staff, publications, decisions reached by the Commission, statutes and rules governing the Commission, frequently asked questions, other ethics organizations, and quarterly reports. In addition, the website provides contact information for the Commission as well as information on contacting the Office of the Executive Inspector General. The website also contains redacted reports from the Office of the Executive Inspector General regarding certain allegations and investigations. The website describes the role of the Commission and the Chief Procurement Officers in the procurement process.

The Commission hosted their annual ethics officer conference on April 13, 2018, for Fiscal Year 2018, inviting ethics officers and general counsels from each agency under their jurisdiction to attend. The conference for Fiscal Year 2018 held various sessions on ethics-related topics, including inclusive leaders, assistance programs, ethical issues at universities, high profile cases, administrative hearings, discrimination and sexual harassment, ethics officer duties and client communication, ethics officer 101, building ethical culture, state employee hiring and monitoring, procurement ethics issues, and ethics surveys.

Statistical information regarding activities of Chief Procurement Officers, the Illinois Procurement Gateway, and external training appears below:

<b><u>Chief Procurement Officers</u></b>	<b><u>Fiscal Year</u></b> <b><u>2018</u></b>	<b><u>Fiscal Year</u></b> <b><u>2017</u></b>
Total number of procurements authorized	6,038	7,832
Total dollar value of procurements authorized	\$11,089,400,000	\$7,337,700,000
 <b><u>Illinois Procurement Gateway</u></b>		
Number of applications reviewed	5,527	5,794
Number of support requests received and resolved	2,901	2,882
Number of hours of external training provided to State agencies and external parties	511.5	319.2