



STATE OF ILLINOIS  
**OFFICE OF THE  
AUDITOR GENERAL**

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET**

**COMPLIANCE ATTESTATION EXAMINATION  
For the Two Years Ended: June 30, 2011**

**Release Date: November 15, 2012**

**Summary of Findings:**

<b>Total this audit:</b>	<b>8</b>
<b>Total last audit:</b>	<b>10</b>
<b>Repeated from last audit:</b>	<b>5</b>

**SYNOPSIS**

- The Office did not exercise adequate control over cash receipts.
- The Office did not submit accurate "Reports of Receipts and Disbursements for Locally Held Funds" to the Office of the Comptroller.
- The Office did not exercise adequate control over its travel functions.

{Expenditures and Activity Measures are summarized on the reverse page.}

**GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2011**

EXPENDITURE STATISTICS	2011	2010	2009
<b>Total Expenditures.....</b>	<b>\$ 316,810,524</b>	<b>\$ 784,092,735</b>	<b>\$ 293,357,448</b>
OPERATIONS TOTAL.....	\$ 3,677,015	\$ 495,313,316	\$ 5,331,427
% of Total Expenditures.....	1.2%	63.2%	1.8%
Personal Services.....	1,607,588	1,792,168	1,804,399
Other Payroll Costs (FICA, Retirement).....	118,074	132,481	518,589
All Other Operating Expenditures.....	1,951,353	493,388,667	3,008,439
DEBT SERVICE.....	\$ 313,133,509	\$ 288,779,419	\$ 288,026,021
% of Total Expenditures.....	98.8%	36.8%	98.2%
<b>Total Receipts.....</b>	<b>\$ 62,353,696</b>	<b>\$ 562,344</b>	<b>\$ 229</b>
<b>Average Number of Employees.....</b>	<b>49</b>	<b>47</b>	<b>44</b>

SELECTED ACTIVITY MEASURES (Not Examined)	2011	2010	2009
General Obligation Bonds Issued.....	\$4,900,000,000	\$7,669,395,000	\$150,000,000
General Obligation Certificates Issued.....	\$1,300,000,000	\$1,250,000,000	\$1,000,000,000
Build Illinois Bonds Issued.....	\$0	\$985,000,000	\$0
Tobacco Settlement Revenue Bonds Issued.....	\$1,503,460,000	\$0	\$0
<b>Total Bonds and Certificates Issued.....</b>	<b>\$7,703,460,000</b>	<b>\$9,904,395,000</b>	<b>\$1,150,000,000</b>

AGENCY DIRECTOR	
During Examination Period:	Ms. Ginger Ostro (1/07 to 9/09) Mr. David Vaught (10/09 to 3/12)
Currently:	Mr. Jerome Stermer (4/12 to present)

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE CONTROL OVER CASH RECEIPTS**

**Cash receipts deposited late**

The Governor’s Office of Management and Budget (Office) did not exercise adequate controls over cash receipts. We noted 16 of 16 (100%) receipts tested, totaling \$1,106,023, were deposited between 2 and 111 days late.

We recommended the Office deposit cash receipts timely according to the State Officers and Employees Money Disposition Act. (Finding 1, page 9)

**Agency officials agree with auditors**

Office officials concurred with our recommendation and noted they are taking corrective action.

**INACCURATE LOCALLY HELD FUND REPORTS**

**Discrepancies noted on locally held fund reports**

The Office did not submit accurate “Reports of Receipts and Disbursements for Locally Held Funds” (C-17) reports to the Office of the Comptroller. We noted discrepancies between the C-17’s and related bank statements for 19 of 58 (33%) C-17’s filed during the examination period.

We recommended the Office implement procedures to review all C-17 reports prepared for accuracy prior to submission to the Office of the Comptroller. (Finding 2, page 10)

**Agency officials agree with auditors**

Office officials concurred with our recommendation and noted they are taking corrective action.

**INADEQUATE CONTROL OVER TRAVEL FUNCTIONS**

**Travel vouchers submitted late**

The Office did not exercise adequate control over its travel functions. We noted 18 of 40 (45%) travel vouchers tested, totaling \$8,947, were submitted between 7 and 162 days late.

We recommended the Office exercise adequate control over travel expenditures and require employees to submit travel vouchers in accordance with Office policies. (Finding 3, page 11) **This finding was first reported in 2005.**

**Agency officials agree with auditors**

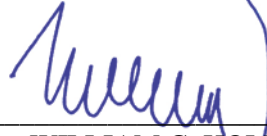
Office officials concurred with our recommendation and noted they have reiterated the importance of timely travel voucher submission to their staff. **(For previous agency response, see Digest Footnote #1)**

## **OTHER FINDINGS**

The remaining findings are reportedly being given attention by the Office. We will review the Office's progress towards implementation of our recommendations in our next examination.

## **AUDITOR'S OPINION**

We conducted a compliance examination of the Governor's Office of Management and Budget as required by the Illinois State Auditing Act. The Governor's Office of Management and Budget has no funds that require an audit leading to an opinion on financial statements.



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WILLIAM G. HOLLAND  
Auditor General

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## **SPECIAL ASSISTANT AUDITORS**

CliftonLarsonAllen, LLP were our Special Assistant Auditors for this engagement.

## **DIGEST FOOTNOTE**

### **#1 - Inadequate control over travel functions - Previous Agency Response**

The Office acknowledged the conditions noted in the finding and commented on the problems.