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**REPORT DIGEST  
ILLINOIS MATHEMATICS  
&  
SCIENCE ACADEMY**

**COMPLIANCE  
EXAMINATION**

For the Year Ended:  
June 30, 2009

**Summary of Findings:**

Total this audit	2
Total last audit	2
Repeated from last audit	2

Release Date:  
March 9, 2010



State of Illinois  
Office of the Auditor General  
**WILLIAM G. HOLLAND**  
AUDITOR GENERAL

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are also available on  
the worldwide web at  
<http://www.auditor.illinois.gov>

**SYNOPSIS**

- The Illinois Mathematics and Science Academy did not maintain adequate controls over the recording and reporting of equipment.
- The Academy did not have adequate controls over personal services.

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

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**ILLINOIS MATHEMATICS AND SCIENCE ACADEMY**  
**COMPLIANCE EXAMINATION**  
**For The Year Ended June 30, 2009**

STATEMENT OF ACTIVITIES	FY 2009	FY 2008
<b>Total Expenditures (All Funds) .....</b>	<b>\$ 22,717,389</b>	<b>\$ 22,207,625</b>
<b><u>OPERATIONS TOTAL</u>.....</b>	<b>\$19,921,269</b>	<b>\$18,798,586</b>
% of Total Expenditures .....	88%	85%
Personal Services .....	\$13,372,875	\$12,401,222
% of Operations Expenditures.....	67%	66%
Average No. of Employees.....	317	247
Other Payroll Costs (FICA, Retirement) .....	\$200,592	\$186,757
% of Operations Expenditures.....	1%	1%
Contractual Services .....	\$4,496,095	\$4,265,101
% of Operations Expenditures.....	23%	23%
All Other Operations Items.....	\$1,851,707	\$1,945,506
% of Operations Expenditures.....	9%	10%
<b><u>AWARDS &amp; GRANTS, REFUNDS TOTAL</u> .....</b>	<b>\$650,797</b>	<b>\$455,668</b>
% of <b>Total</b> Expenditures .....	3%	2%
<b><u>NON-APPROPRIATED FUNDS</u> .....</b>	<b>\$2,145,323</b>	<b>\$2,953,371</b>
% of <b>Total</b> Expenditures.....	9%	13%
 <b>Cost of Property and Equipment .....</b>	 <b>\$ 60,013,068</b>	 <b>\$ 58,667,800</b>
<b>ACADEMY PRESIDENT</b>		
During Period: Glenn McGee Ph.D.		
Currently: Glenn McGee Ph.D.		

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**NEED TO ENHANCE CONTROLS OVER PROPERTY**

The Illinois Mathematics and Science Academy (Academy) did not maintain adequate controls over the recording and reporting of equipment. We noted the following:

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**Equipment items not properly tagged**

- Eight of 60 (13%) equipment items tested, totaling \$36,356 did not contain a proper State identification tag.
- Fifteen of 60 (25%) equipment items tested, totaling \$100,452 could not be located. Seven of these items were listed as surplus property on the Academy's property control records and were believed to be shrink wrapped on pallets awaiting transfer to the Department of Central Management Services (DCMS) surplus warehouse.
- Two of 45 (4%) items tested (new purchases, additions, and items selected from the Academy grounds) were recorded on the property listing at a zero value instead of a value equal to their purchase cost or value at time of donation.
- Five of 60 (8%) equipment items tested, totaling \$37,841 were located at a different location than was recorded on the property records.
- One of 60 (2%) equipment items tested, with a cost of \$547 had been transferred to the DCMS surplus warehouse during June 2004, but had not been removed from the Academy's property control records.
- One of 10 (10%) items of equipment tested that was located on Academy grounds, with a cost of \$1,155, had an incorrect purchase date recorded on the property control records. While scanning the property control records, we noted 30 additional items with the same incorrect purchase date.

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**Equipment items not properly recorded**

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**Library books not on  
property control records**

- One (piano) of 10 (10%) items of equipment tested that were located on Academy grounds was not recorded on the Academy's property control records.
- The Academy's property control records and Agency Report of State Property (C-15) do not include fiscal year 2009 costs of \$60,703 for the purchase of library books or any of the library books purchased in previous years.
- The Academy prepares its quarterly C-15 report from its accounting records. These reports do not agree to the Academy's property control records. As of June 30, 2009, equipment reported on the C-15 report exceeded the property control records by \$1,119,140. The Academy had not prepared a reconciliation of the two.

Failure to exercise adequate control over property, maintain accurate property control records, and properly identify equipment items with State identification tags increases the potential for fraud and possible loss or theft of State property. In addition, not maintaining accurate records may result in duplicate purchases of various equipment items. (Finding 1, pages 8-10)

We recommended the Academy implement procedures to ensure adequate control over State property to ensure accurate property control records are maintained in accordance with the State Property Control Act, SAMS, and the Illinois Administrative Code.

The Academy agreed and stated that the safeguarding and accuracy of Academy property is of critical importance to the Academy. It recognizes the importance of exercising control over its property and will review its process for tagging, tracking and inventorying property within the Academy's control to ensure compliance with State requirements.

Regarding the Academy's library, IMSA is a member of the Consortium of Academic and Research Libraries in Illinois (CARLI). The Academy utilizes that system for recording additions and deletions to its library collection. The system is also used when conducting a physical inventory of the collection. The Academy was not aware it was not in compliance with respect to the capitalization and reporting of

its library collection, however we agree with this finding and will take the steps required for proper recording and capitalization of the IMSA library collection.

## **INADEQUATE CONTROLS OVER PERSONAL SERVICES**

The Academy did not have adequate controls over personal services. During our testing of employee compensated absence records, we noted the following:

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### **Authorization forms did not match attendance sheets**

- For two of 35 employees (6%) tested, we noted that hours taken for personal/vacation days in one month per the attendance controller sheets and authorization forms were recorded in a different month in the employee's attendance records.
- For one of 35 (3%) employees tested, we noted discrepancies when comparing employee authorization forms to attendance controller sheets and attendance records. The attendance records included time taken off for vacation that was not reflected on the authorizations or the attendance controller sheets.
- For four of 35 (12%) employees tested, there were no authorization forms on file to compare to the attendance controller sheets and attendance records. The attendance controller sheets and attendance records indicated that absences were taken.
- For one of 35 (3%) employees tested, we noted the employee had taken three religious holidays. The Academy's policies allow employees to take two religious holidays. Employees must use vacation or personal days for any additional religious holidays. This employee's vacation and personal time was not charged for the third religious holiday absence.
- For one of 35 (3%) employees tested, there were no authorization forms or attendance controller sheets on file to compare to the attendance records. The attendance records indicated that absences were taken.

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**Late or missing performance appraisals**

- We noted that three of 35 employees (9%) tested, did not receive annual performance appraisals as is required by Academy policy. Two evaluations (6%) were not performed at all during the examination period. One evaluation (3%) was performed approximately 5 months late.
- For one of 13 newly hired employees (8%) tested, the employee did not complete the required ethics training within the first six months of employment. This employee completed the required ethics training 19 days late.

Failure to maintain complete and accurate attendance records increases the risk that the Academy may pay for services not rendered by its employees. In addition, employees may not receive all benefits they have rightfully earned. Failure to perform annual performance appraisals limits the Academy's ability to adequately make decisions regarding salary adjustments, promotion, demotion, termination and reinstatement. Failure to provide ethics training within 6 months of employment is a violation of the State Officials and Employee Ethics Act. (Finding 2, pages 11-13)

We recommended the Academy strengthen controls over personal services to ensure accurate attendance records are maintained, that annual evaluations are completed for all employees, and that ethics training is completed within the required time frame.

The Academy agreed with the auditors' findings and will reinforce and monitor compliance with its internal policies. The Academy has adjusted the personal leave balance for the employee who took one more religious holiday than Academy policy allows.

The Academy will develop better procedures for managing personal service records, and will emphasize existing procedures that address performance reviews and ethics training.

**AUDITOR'S OPINION**

We conducted a compliance examination of the Academy as required by the Illinois State Auditing Act. We have not audited any financial statements of the Academy for the purpose of expressing an opinion because the Academy does not, nor is it required to, prepare financial statements.

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WILLIAM G. HOLLAND, Auditor General

WGH:AKS

**AUDITORS ASSIGNED**

The public accounting firm of Borschnack, Pelletier & Co. was our special assistant auditor for this engagement.