

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
For the Period July 1, 2012 Through January 24, 2013

STATE OF ILLINOIS
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AGENCY OFFICIALS

Director (Subsequent to 9/28/12)	Vacant
Director (Through 9/28/12)	Barbara Shaw
Director of Grant Programs (Also Acting as Authority Head Subsequent to 9/28/12)	Reshma Desai
Fiscal Contract Manager	Barbara King
Director of Illinois Family Violence Coordinating Councils Grant Program	Vernette Beorkrem

Board offices were located at:

James R. Thompson Center
100 West Randolph Street
Suite 4-750
Chicago, IL 60601

Illinois Family Violence Coordinating Councils
528 South 5th Street Suite 200
Springfield, IL 62701



**ILLINOIS
CRIMINAL JUSTICE
INFORMATION AUTHORITY**

300 W. Adams Street • Suite 200 • Chicago, Illinois 60606 • (312) 793-8550

MANAGEMENT ASSERTION LETTER

Honorable William G. Holland
Auditor General
Iles Park Plaza
740 East Ash Street
Springfield, Illinois 62703-3154
Attention: Lisa Warden, Manager

February 3, 2014

Dear General Holland:

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 Illinois Violence Prevention Authority (Authority). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements.

As you know, the Illinois Violence Prevention Authority's powers, duties, rights, and responsibilities were transferred to the Illinois Criminal Justice Information Authority pursuant to Public Act 97-1151 effective January 25, 2013. Although the Illinois Criminal Justice Information Authority was not responsible for the Authority until that time, Reshma Desai and Barbara King were part of the Authority management team and have performed an evaluation of the Authority's compliance with regard to the period of July 1, 2012 through January 24, 2013 and the subsequent close-out period. Based on these evaluations, Reshma Desai and Barbara King are able to assert that during this period the Authority had materially complied with the assertions below, except as reported in Findings 2013-001 through 2013-004.

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

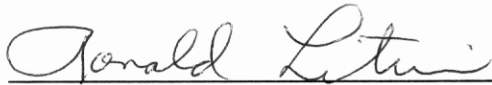
D. State revenues and receipts collected by the Authority are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

Yours very truly,

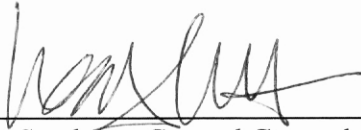
Illinois Criminal Justice Information Authority



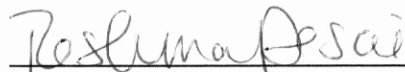
Jack Cutrone, Executive Director



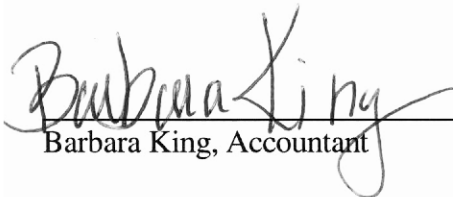
Ronald Litwin, Acting Chief Fiscal Officer



Lisa Stephens, General Counsel



Reshma Desai, Research Associate



Barbara King, Accountant

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
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 For the Period July 1, 2012 Through January 24, 2013

COMPLIANCE REPORT

SUMMARY

Effective January 25, 2013, Public Act 97-1151 (Act) transferred the powers, duties, rights, and responsibilities of the Illinois Violence Prevention Authority to the Illinois Criminal Justice Information Authority (ICJIA). The Act required the transfer of personnel, records, property, contracts, pending business, unexpended appropriations, balances and funds to ICJIA as soon as practicable after the effective date of the Act. Our examination included testing of receipts, expenditures, and property transactions during the subsequent closeout period.

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 or disclaimers, but does contain a qualified opinion on compliance and material weaknesses over internal control.

SUMMARY OF FINDINGS

<u>Number of</u> Findings	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Findings	5	6
Repeated findings	5	0
Prior recommendations implemented or not repeated	1	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2013-001	10	Governor's Discretionary Appropriation Noncompliance	Material Weakness and Material Noncompliance
2013-002	15	Inadequate Controls Over the Grant Awarding Process	Material Weakness and Material Noncompliance

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SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2013-003	20	Inadequate Controls Over Grant Administration	Material Weakness and Material Noncompliance
2013-004	27	Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative	Material Weakness and Material Noncompliance
2013-005	44	Inadequate Controls over Disposition, Recording, and Reporting of State Property	Significant Deficiency and Noncompliance

PRIOR FINDING NOT REPEATED

A	47	Inadequate Controls over Filing of Statements of Economic Interest
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Illinois Criminal Justice Information Authority personnel at an exit conference on January 28, 2014. Attending were:

Illinois Criminal Justice Information Authority

Mr. Jack Cutrone	Executive Director
Mr. Ronald Litwin	Acting Chief Fiscal Officer
Ms. Lisa Stephens	General Counsel
Ms. Reshma Desai	Research Associate

Office of the Auditor General

Ms. Lisa Warden	Compliance Audit Manager
Mr. Mike Maziarz	Performance Audit Manager
Mr. Jose Roa	Compliance Audit Manager
Mr. Jorge Cerda	Compliance Audit Supervisor
Mr. Jerry Munk	Compliance Staff Auditor
Ms. Jane Brown	Compliance Staff Auditor

Responses to the recommendations were provided by Jack Cutrone in a letter dated February 3, 2014.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Illinois Violence Prevention Authority'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, for the period July 1, 2012 through January 24, 2013 and the subsequent close-out period. The management of the State of Illinois, Illinois Violence Prevention Authority and the State of Illinois, Illinois Criminal Justice Information Authority were responsible for compliance with these requirements. The Illinois Violence Prevention Authority's powers, duties, rights, and responsibilities were transferred to the Illinois Criminal Justice Information Authority pursuant to Public Act 97-1151 effective January 25, 2013. Our responsibility is to express an opinion on the State of Illinois, Illinois Violence Prevention Authority's compliance based on our examination.

- A. The State of Illinois, Illinois Violence Prevention Authority 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, Illinois Violence Prevention Authority 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, Illinois Violence Prevention Authority 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, Illinois Violence Prevention Authority 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; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Illinois Violence Prevention Authority's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Illinois Violence Prevention Authority's compliance with specified requirements.

As described in item 2013-001 in the accompanying schedule of findings, the State of Illinois, Illinois Violence Prevention Authority did not comply with requirements regarding the obligation, expenditure, receipt, and use of public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law, and in accordance with limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use. As described in items 2013-001 through 2013-004 in the accompanying schedule of findings, the State of Illinois, Illinois Violence Prevention Authority did not comply with requirements regarding applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Illinois Violence Prevention Authority to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois, Illinois Violence Prevention Authority complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the period July 1, 2012 through January 24, 2013 and the subsequent close-out period. However, the results of our procedures disclosed another instance of noncompliance with the requirements, which is required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which is described in the accompanying schedule of findings as item 2013-005.

Internal Control

Management of the State of Illinois, Illinois Violence Prevention Authority 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, Illinois Violence Prevention Authority'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, Illinois Violence Prevention Authority's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Illinois Violence Prevention Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 an entity's 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2013-001 through 2013-004 to be material weaknesses.

A significant deficiency in an entity's 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2013-005 to be a significant deficiency.

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

The State of Illinois, Illinois Criminal Justice Information Authority's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois, Illinois Criminal Justice Information Authority's responses and, accordingly, we express no opinion on the responses.

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 period July 1, 2012 through January 24, 2013 and the subsequent close-out period in Schedules 1 through 7 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 accompanying supplementary information for the period July 1, 2012 through January 24, 2013 and the subsequent close-out period in Schedules 1 through 7. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2012 accompanying supplementary information in Schedules 2 through 7 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and the State of Illinois, Illinois Criminal Justice Information Authority management and governing board, and is not intended to be and should not be used by anyone other than these specified parties.



BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

Springfield, Illinois

February 3, 2014

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF FINDINGS
For the Period July 1, 2012 Through January 24, 2013

2013-001. **FINDING** (Governor’s Discretionary Appropriation Noncompliance)

The Illinois Violence Prevention Authority (Authority) did not comply with fiscal year expenditure limitations for \$8,749,128 of Governor’s discretionary appropriations paid from the General Revenue Fund (GRF) in Fiscal Year 2013 (FY13).

During FY11, the Authority was the recipient of three lump sum amounts from the Governor’s discretionary appropriation totaling \$92,350,000. Pursuant to Public Act 96-0956, Section 10 of Article 41, these funds were to be expended at the discretion of the Governor for operational expenses, awards, grants, and permanent improvements to fund programs and services provided by community-based human service providers and for state funded human service programs.

In our FY11/12 examination, we noted the Authority did not expend nearly \$66 million of the Governor’s FY11 discretionary appropriations from the GRF in the year appropriated for expenditure, including \$1,125,504 of administrative expenditures the Authority paid in FY12/13. Further, we tested 48 grants funded by FY11 discretionary appropriations and noted 44 (92%) grants totaling \$21,389,408 were not obligated in FY11. Interagency agreements between the Office of the Governor and the Authority stated the delegated funds could be expended by the Authority in FY11 through the end of the lapse period. In FY13, we noted the Authority paid \$8,749,128 of grant and related administrative expenditures from the FY11 Governor’s discretionary appropriation.

The Authority provided internally prepared documents detailing the planned usage of lump sums as understood from their communications with the Governor’s office. According to that documentation, the \$92,350,000 in discretionary appropriations was allocated among the Authority’s programs and fiscal years as follows:

<u>Program</u>	<u>FY11 Lump Sum</u>	<u>Fund</u>
Neighborhood Recovery Initiative (FY11 Allocation)	33,500,000	318
Neighborhood Recovery Initiative (For FY12 Allocation)	11,050,000	318
Safety Net Works (FY11 Allocation)	3,900,000	318
Safety Net Works (For FY12 Allocation)	4,000,000	318
General Revenue Fund Violence Prevention Grants	700,000	318
Authority Fund 184 Grants (For FY12)	1,400,000	184
Special Projects	37,800,000	318
Total Discretionary Funds Received in FY11	\$92,350,000	

During FY11, all Authority discretionary funds were transferred from the GRF to the appropriated Violence Prevention (184) Fund and the non-appropriated Special Projects (318) Fund and were considered “expended” even though all funds had not

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2013-001. **FINDING** (Governor’s Discretionary Appropriation Noncompliance - Continued)

been used or granted out. At the end of the FY11 lapse period, discretionary funds totaling \$65,962,962 had not been disbursed by the Authority.

In FY12, \$51,415,938 of those remaining funds had been expended, resulting in a remaining balance of \$14,547,024 to roll over for FY13. In FY13, \$8,749,128 of the remaining funds had been expended prior to the Authority being consolidated with the Illinois Criminal Justice Information Authority (ICJIA). The Authority’s remaining balance of Governor’s discretionary appropriations of \$5,797,896 was transferred to the ICJIA in FY13.

The State Constitution (Article VIII, Section 2(b)) empowers the General Assembly by law to make appropriations for all expenditures of public funds by the State. The State Finance Act (30 ILCS 105/25(a)) states all appropriations shall be available for expenditure within the fiscal year appropriated. Public Act 96-0956 appropriated \$1.236 billion to the Office of the Governor in FY11 for delegation to other State agencies, boards, or commissions to be expended, at the Governor’s discretion, for operational expenses, awards, and grants. Public Act 96-0959, Section 1-10, required such discretionary appropriations to be expended in accordance with all relevant laws that would apply had the amounts been appropriated directly to the agency, board, or commission for that purpose. Further, the interagency agreement section C.2 permitted expenditure of the discretionary appropriations during FY11. Also, 30 ILCS 105/35, which was specifically incorporated into the interagency agreements, provides that “When any State agency receives a grant or contract from another State agency from appropriated funds the recipient agency shall be restricted in the expenditure of these funds to the period during which the grantor agency was so restricted...”.

Authority management stated the interagency agreements regarding the Governor’s lump sum transfer of \$92,350,000 were drafted by the Governor’s Office of Management and Budget (GOMB) and presented to the Authority for signature. Authority management stated they relied upon written correspondence sought and received from GOMB legal counsel, which stated “to be clear on the use of the lump sum funds, we believe that shifting the money to funds would be “spending” the money for purposes of C.2 of the IGA [intergovernmental] agreement; however, to move the money beyond those funds, additional spending authority would be needed after FY11, unless the funds somehow do not need approp [appropriation] authority.” Authority management therefore considered the lump sum expended in FY11 upon the funds’ transfer to the Authority, and they believed spending those funds in subsequent fiscal years was permissible.

Failure to use discretionary appropriations in the correct fiscal year constitutes noncompliance with State law, circumvents the legislature’s authority, and prevents

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2013-001. **FINDING** (Governor’s Discretionary Appropriation Noncompliance - Continued)

the use of excess State GRF funds where most needed in the appropriated fiscal year.
(Finding Code No. 2013-001, 12-1)

RECOMMENDATION

We recommend the Illinois Criminal Justice Information Authority ensure all payments comply with any fiscal year limitations.

AUTHORITY RESPONSE

ICJIA agrees, in part, with the response. ICJIA respectfully disagrees with the recommendation as it relates to IVPA’s transfer of funds to its non-appropriated account. The Comptroller’s website sets forth the purpose of Fund #318. Specifically, it provides ICJIA (and, previously, IVPA) with the authority to distribute monies into, and make disbursements out of, Fund #318 for the following purposes: “To receive and record grant monies for the cease fire program. Monies in the fund may be expended for violence reduction purposes and to coordinate efforts for the application of a public health approach to violence.” IVPA effected the expenditure of FY11 discretionary funds by depositing those discretionary funds into Fund #318, consistent with the purpose of the Fund “to receive...grant monies.” This was done prior to the end of the FY11 lapse period in accordance with IA [the interagency agreement] and the fiscal year limitation on the discretionary lump-sum appropriation. Subsequent disbursements out of Fund #318 were lawfully made in accordance with the purpose of the Fund and did not require additional appropriation authority because Fund #318 is a non-appropriated fund. Accordingly, those disbursements were not subject to the fiscal year limitations applicable to the initial appropriation.

AUDITOR’S COMMENT

The non-compliance issue reported here is that the carryover and subsequent expenditure of the FY11 appropriated funds into FY12 and FY13 violated fiscal year limitations that attach to appropriated funds. Neither the lawful transfer of discretionary funds to a non-appropriated fund, nor the subsequent disbursement of those funds in accordance with the purpose of the non-appropriated fund, can circumvent fiscal year limitations attached to appropriated funds.

The appropriation to the Governor's Office was made in P.A. 96-956, an FY11 appropriations bill. The transfer was made pursuant to three interagency agreements between the Governor's Office and the Authority, each of which specifically provided that the transferred monies may be expended "from the

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2013-001. **FINDING** (Governor's Discretionary Appropriation Noncompliance - Continued)

AUDITOR'S COMMENT (CONTINUED)

effective date [of the interagency agreement] through the end of the FY11 lapse period."

Section 25 (a) of the State Finance Act provides "[a]ll appropriations shall be available for **expenditure** for the fiscal year or for a lesser period if the Act making that appropriation so specifies." Section 25 (b-2.5) of the State Finance Act permitted "[a]ll outstanding liabilities as of June 30, 2011, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2011. . . may be **paid out** of the expiring appropriations until December 31, 2011, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than August 31, 2011." [30 ILCS 105/25 (a) and (b-2.5)]

According to ICJIA, the transfer of the appropriated monies from GRF to the non-appropriated Fund 318 constituted an "expenditure" for purposes of the fiscal year limitation. ICJIA further argues that once monies from the FY11 appropriation were deposited into the non-appropriated fund, they could be used without regard to fiscal year limitations.

In interpreting the statutory meaning of Section 25 of the State Finance Act, the meaning of "expenditure" and/or "paid out" must be considered. As noted by the Attorney General in an opinion dated December 31, 2008 (Opinion No. 08-004): "The term 'expended' is not defined in the [Illinois Medical District] Act or any other Illinois statute, nor have Illinois courts construed its meaning. Undefined statutory terms must be given their ordinary and popularly understood meaning...Other state courts have determined that 'expended' means: 'to pay out, or lay out, use up, disburse... '". According to Webster's New World Dictionary of the American Language Second College Edition, the word "expend" means "to spend" or "to consume by using; use up." Arguably, since the balance of funds was still in the Authority's custody and control and was in fact not used up or obligated for its appropriated purpose, the funds were not "expended" in FY11 and, therefore, should have lapsed at the end of FY11.

This interpretation is supported by language in the interagency agreements between the Governor's Office and the Authority through which the transfers from GRF to Fund 318 took place. There were three successive interagency agreements: (1) dated 10/7/10 in the original amount of \$19,000,000 and amended on 1/7/11 to \$38,100,000; (2) dated 6/22/11 in the amount of \$16,450,000; and (3) dated 6/29/11 in the amount of \$37,800,000. Each of these agreements contained the following

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2013-001. **FINDING** (Governor's Discretionary Appropriation Noncompliance - Continued)

AUDITOR'S COMMENT (CONTINUED)

restriction: "Delegated funds may be expended by IVPA from the effective date through the end of the FY11 lapse period." If it were the understanding of the Governor's Office that the transfer itself constituted a full expenditure of the funds, then this language would be rendered meaningless.

The interagency agreements also stated that the "disbursement of monies from the above-described appropriations is subject to all applicable laws and regulations of the State of Illinois, including, without limitation, Public Act 96-0959, **30 ILCS 105/35**, and all such laws and regulations that provide for the oversight, management and/or audit of matters related to the use of delegated funds" (*emphasis added*). 30 ILCS 105/35 states:

When any State agency receives a grant or contract from another State agency from appropriated funds the recipient agency shall be restricted in the expenditure of these funds to the period during which the grantor agency was so restricted and to the terms and conditions under which such other agency received the appropriation, and to the terms, conditions and limitations of the appropriations to the other agency.

The appropriation to the Governor's Office in Article 41, Section 10, was for FY11. Pursuant to 30 ILCS 105/35 - which was specifically incorporated into the contract between the Governor's Office and the Authority - the expenditure of the funds by the Authority was limited to the period which the Governor's Office had to expend them, namely FY11. Under 105/35, the contractual mechanism of an interagency agreement could not be used to circumvent fiscal year limitations that otherwise attached to the original recipient of the appropriated funds.

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2013-002. **FINDING** (Inadequate Controls over the Grant Awarding Process)

The Illinois Violence Prevention Authority (Authority) did not ensure adequate internal controls and compliance over the grant awarding process.

During Fiscal Year (FY) 2013, the Authority expended over \$10 million for awards and grants. The Authority awarded 26 grants totaling \$578,862 and 2 interagency agreements totaling \$950,000 during FY13. We tested at least one aspect of FY13 grant awarding for four grant programs including: Collaborative, Choose Respect Evaluation, Family Violence Coordinating Councils (Councils), and Special Projects.

During our testing, we noted the following weaknesses related to grant awarding:

- The Authority did not maintain documentation of grant procurement postings to the Authority's website. As a result, auditors were unable to verify if three of three (100%) FY13 grant awards tested were posted as required.

The Illinois Administrative Code (Code) requires a list of all grant awards to be posted on the Authority's website (89 Ill. Adm. Code 1400.120(d)).

Authority management stated that the required postings were completed by the Authority; however, the postings were subsequently taken down and documentation was not maintained to demonstrate compliance.

- The Authority awarded \$33,400 to entities which submitted grant applications three to ten days past the due date as set forth in the Request for Proposals (RFP) for two of two (100%) grants tested. Both applications were for non-competitive grants.

The Code (89 Ill. Adm. Code 1400.120(b)) states the RFP shall specify the deadline for the submission of applications. Each RFP stated, in bold, "Proposals must be received no later than" the due date.

Authority management stated that since these grants were not competitive, staff made allowances per grantee request.

- One of four (25%) grants was awarded without an RFP. The Authority issued the \$22,462 grant for administrative support after discussing the terms with the grantee and requesting completion of a grant application.

In order to receive a grant from the Authority, agencies must submit an application in response to an RFP issued by the Authority (89 Ill. Adm. Code 1400.120(a)). The RFP shall specify the deadline for the submission of applications, which shall

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2013-002. **FINDING** (Inadequate Controls over the Grant Awarding Process - Continued)

provide applicants with 30 days to respond, and shall specify the purpose of the grant program, eligible applicants, the maximum amount for which an applicant may apply, and program requirements particular to the grant program for which the applicant is requesting funds (89 Ill. Adm. Code 1400.120(b)).

According to Authority management, this grant was awarded without issuing an RFP because the grant activities needed were administrative support and training, the grantee offered to support the project by taking on this grant, discussions were held, and the grantee submitted a simple application outlining the grant activities.

- Scoring sheets were not prepared or maintained for two of three (67%) grant agreements tested, totaling \$33,400.

The Code (89 Ill. Adm. Code 1400.120(c)) requires that “all applications submitted by eligible applicants will be reviewed by a review committee for completeness and accuracy.”

Authority management stated these applications were part of a non-competitive program in which the appropriation for the program was meant to fund local Councils in each court circuit. Management stated the applications were reviewed, but no score sheets were prepared due to the unique nature of the Councils headed by the chief judge of each circuit.

- We noted some grants were not properly approved by the Authority’s Board subsequent to application review as required by administrative rules. The Code (89 Ill. Adm. Code 1400.120(c)) states “All applications submitted by eligible applicants will be reviewed by a review committee for completeness and accuracy. Applications recommended for funding will be presented by staff for Authority approval” based on five specific criteria to be considered in determining which applications to fund and the amount to be awarded: funding availability, application completeness and accuracy, degree to which RFP specifications were met, regions served, and the applicant’s compliance with prior grant requirements (89 Ill. Adm. Code 1400.140).
 - Two collaborative grants totaling \$55,000 were recommended to receive funding and were approved by the Board prior to application review. The Board’s approval was contingent upon subsequent review and approval of applications by staff.

Authority management stated these grants were presented to the Board for approval contingent upon later application review because waiting for the next quarterly Board meeting would have significantly delayed the projects.

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However, management did not provide documentation of application receipt dates, grant start dates, or explanation of why the RFP did not include sufficient time to review and approve applications prior to the planned commencement of services.

- Authority staff recommended and the Board approved a \$16,700 Council renewal grant to the wrong entity, which was the previous fiscal agent for the judicial circuit.

Authority management stated that the wrong entity was inadvertently left on the funding recommendation submitted for Board approval.

- Two interagency agreements totaling \$950,000 for special projects grants were awarded during FY13, but were not approved by the Board.

Authority management stated they did not typically present interagency agreements to the Board for approval.

- The Authority-issued Council RFP did not specify all information required to be submitted by applicants as prescribed by the Authority's administrative rules. The Authority awarded grants totaling \$466,862 to 23 Councils during FY13, primarily used for Council coordinators and federal arrest grants.

Authority rules (Code) (89 Ill. Adm. Code 1400.120(b)) states "the Authority shall issue an RFP for each grant program administered." In addition, the Code (89 Ill. Adm. Code 1400.130(a)) required the Authority to prescribe the format of grant applications, which shall include a current certificate of good standing with the Secretary of State and a proposal narrative that includes: a description of the applicant's capacity to perform the proposed activities, a description of the community area and the population to be served or reached by the proposed activities, a description of the staffing and management plan associated with conducting the proposed activities/services, when applicable, and resumes of staff to be funded with grant funds. These elements were missing from Council grant applications prescribed by the Authority.

Authority management stated that some grant application requirements were excluded from the Council RFP and applications because these were unique, non-competitive grants to chief judge-led councils in each court circuit.

- Two of two (100%) initial grant awards tested, totaling \$51,193, were not for 12 month periods as required by the Code. These discrepancies included an 18 month grant term and a 21 month grant term.

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The Code (89 Ill. Adm. Code 1400.120(e)) requires initial grant awards to be issued for a 12 month period.

Authority management stated these grant periods were established for consistency with the term of the federal grant received by the Authority.

- The Authority did not send applicants a notification of grant award within 7 days after Board approval for three of three (100%) grants with initial awards totaling \$55,862. Two notices were 56 days late, and one notification was never sent.

The Code (89 Ill. Adm. Code 1400.120(d)) states that “applicants to be awarded grants will be notified within 7 days after the date of approval by the Authority.”

Authority management stated Council award letters were sent with the grant agreements, which weren’t always finalized within seven days. Management stated an award notification was not sent for another grant award due to oversight.

The State Records Act (Act) (5 ILCS 160/8) requires agencies to make and preserve adequate and proper records of decisions to protect the legal and financial rights of the State and persons directly affected by the agency’s activities. The Act also requires that agencies maintain a records management program which provides effective controls over the maintenance of records in the conduct of business and that agency electronic records are retained and accessible for the duration of the approved retention period (5 ILCS 160/9).

Lack of compliance and strong internal controls over grant awards decreases the Authority’s accountability for grant awards and increases the likelihood that errors or impropriety in the award process could occur and not be detected. Lack of documentation for application reviews, award decisions and untimely notification of award decisions limits transparency and accountability and may subject an agency to legal liability or questions regarding the fairness of the grant award process. Failure to consistently enforce RFP and application requirements, including due dates, may result in an unfair advantage for some grant applicants and may increase the likelihood of grant recipients who also do not comply with reporting requirements, due dates, or provisions of grant agreements. Lack of compliance with rules for grant application contents, committee proposal reviews, Board award approvals, and statutory and administrative rule limitations on grant terms reduces accountability and may increase the risk of inconsistency in evaluations and approval of substandard applications. (Finding Code 2013-002, 12-2)

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2013-002. **FINDING** (Inadequate Controls over the Grant Awarding Process - Continued)

RECOMMENDATION

We recommend the Illinois Criminal Justice Information Authority (ICJIA) maintain strong internal controls over the grant awarding process. Specifically, ICJIA should:

- maintain documentation regarding website grant award postings;
- timely review applications and notify applicants of award decisions;
- prepare and maintain support for grant award, evaluation, decisions, and related dates; and
- comply with statutory and administrative rules for grant application, submission, evaluation and approval, or seek statutory or rule changes.

AUTHORITY RESPONSE

ICJIA agrees with this recommendation. ICJIA's existing internal controls over the grant awarding procedures already contain the OAG recommendations.

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2013-003. **FINDING** (Inadequate Controls over Grant Administration)

The Illinois Violence Prevention Authority (Authority) did not demonstrate adequate control over the grant administration and monitoring processes.

During Fiscal Year (FY) 2013, the Authority expended \$10,679,085 for awards and grants. We tested 60 FY13 vouchers totaling \$4,195,140, as well as grant administration and monitoring related to fifteen programs: Bullying Prevention, Bullying Prevention Evaluation, Collaborative, Choose Respect, Choose Respect Evaluation, Ceasefire, Family Violence Coordinating Council, Illinois Health Cares, Regional Family Leadership and Support, Safe from the Start, Safe from the Start Evaluation, Say it Out Loud, Safety Net Works, Social and Emotional Learning Standards Professional Development Project, and Special Projects. Eighty-seven grant agreements were tested, including: 44 non-competitive/non-renewal, 30 non-competitive/renewal, 8 competitive, and 5 inter-agency agreements.

We noted the following weaknesses related to grant administration and monitoring:

- Three of four (75%) grant agreements tested, totaling \$951,193, were not entered into in a timely manner. These grant agreements were executed 4, 11, and 30 days after the first day of the grant period. One of these agreements for \$900,000 also allowed the recipient State agency to expend grant funds for costs incurred up to 15 days prior to the contracted grant period start date.

Authority management stated some delays in grant execution were due to the time needed for the grantee to sign all copies of the grant and mail them to the Authority. Management stated some delays resulted when the budget was still being finalized.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires that all State agencies establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance resources are used efficiently, effectively, and in compliance with law; and funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls require execution of a written grant agreement prior to the start of the grant period and the commencement of services to obtain grantee compliance certifications, to protect the entities' legal interests, and to ensure both parties understand their rights, responsibilities, deliverables, and due dates.

- The Authority did not ensure grant payment dates complied with grant agreement payment schedules for 27 of 58 (47%) grant agreements tested, totaling \$7,742,171. Payments were made or requested from 49 days early to 225 days late based on report approval dates. When report approval dates were not documented, report receipt dates were used to determine timeliness of payments.

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Authority management stated some payments were delayed as the submitted quarterly reports required multiple revisions, although officials could not provide documentation of revised report receipt and approval dates. Management stated that other late payments may have been a result of staff absence or a holiday. Management did not provide an explanation for one payment made 49 days early.

The Code (89 Ill. Adm. Code 1400.230(a)) states the grant agreement serves as the formal statement of mutual expectations between the Authority and the grantee, including the grant award amount and payment schedule.

- The Authority did not enforce or document enforcement of reporting provisions of grant agreements, as noted below:
 - The Authority did not follow up or maintain documentation of their follow up with grantees that did not submit timely financial and activity reports. For 16 of 58 (28%) grant agreements tested, auditors noted at least one quarterly report submitted more than 7 days late and which had no documentation of the Authority's attempts to obtain the reports. Reports ranged from 8 days to 62 days late and other reports had no receipt date so the timeliness could not be determined.
 - The Authority did not follow up or maintain documentation of their follow up with grantees that submitted minimally completed financial and activity reports. For six of 58 (10%) grant agreements tested, totaling \$1,117,210, the auditors noted at least one quarterly report that was minimally completed. Three grantees only submitted financial reports rather than financial and activity reports as required. Other grantees expended no grant monies, and another grantee conducted training with minimal support and submitted identical reports for three quarters of the grant agreement.
 - For one of 58 (2%) grant agreements tested, totaling \$28,731, the grantee did not submit quarterly financial and activity reports for the first and second quarter of its term. The Authority had no documentation they followed up with the grantee on the missing reports.

Authority management stated that in most cases where reports submitted were untimely or inadequate, follow-up was conducted but not documented. Management stated they were not aware they should document follow up efforts. Management also stated many grantees did not hold formal activities with participants during the first quarter. Further, management stated the lack of report receipt dates was due to clerical errors. Authority management

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stated one grantee coordinator failed to complete any program reports for her tenure and was subsequently replaced by the grantee.

The Code (89 Ill. Adm. Code 1400.250(a)) states that grantees shall submit to the Authority financial and activity reports on a timetable specified in the Request for Proposal and grant agreement. The reports shall detail activities conducted, participants involved, expenditures and revisions of timetables and activities to reflect the current program status and future activity. Furthermore, the Code and the grant agreements require the submission of financial and activity reports to the Authority no later than 15 days following the end of the report period and 30 days following the end of the grant.

- The Authority did not timely recover or repay unspent grant funds. The Illinois Grant Funds Recovery Act (Act) (30 ILCS 705/5) requires that any grant funds not expended or legally obligated by the end of the grant agreement must be returned to the grantor agency within 45 days. Furthermore, the Act (30 ILCS 705/6) states that “the grantor agency making the grant shall take affirmative and timely action to recover all misspent or improperly held grant funds.” The Act states “no grant funds may be made available for expenditure by a grantee for a period longer than 2 years...” (30 ILCS 705/5). We tested 24 grant agreements and noted the following:
 - The Authority did not make timely attempts to recover unexpended funds at the end of the grant period and to close out grants for six of 24 (25%) agreements tested. Recovery attempts began from 62 to 128 days after the 45 day statutory recovery period had ended for four grants and no attempts had been made for two grants. The unspent grant amounts totaled \$23,975, of which \$2,479 for two grants had not been recovered by the Authority as of the end of our testing.

Authority management stated late recovery attempts were due to the amount of time required to determine the final unexpended amount due to errors and adjustments in final reports, which were due 30 days after the end of the grant period. Management stated \$2,442 in unspent funds were not returned due to delays in closing out the grant as a result of complications and a great deal of challenges working with the grantee. Management stated they subsequently amended the grant agreement to cover a 30 month period, including a new grant and reporting on the expenditure of the prior unspent grant amount in the final report. Authority management also stated a policy was in place that unspent funds of less than \$250 were not required to be returned by the grantee, although we noted the Grant Funds Recovery Act requires recovery of all unspent funds.

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- The Authority did not recover or return grant money received from another State agency within 45 days of the end of the grant term. The Authority was charged with the issuance and monitoring of the grant funds to a sub-grantee. The sub-grantee had unexpended funds of \$149,683 at the end of the grant period at June 30, 2012. The Authority did not seek recovery of the funds from the sub-grantee in a timely manner and did not repay the grantor agency until December 17, 2012, 125 days after the unspent funds were due. The Authority's agreement with the grantor agency, Section 14, expressly stated unexpended funds must be returned to the grantor within 45 calendar days of the project end date.

Authority management stated the Authority approved repayment once they received the final, revised grant report and recovered the unspent funds from the sub-grantee.

- The Authority failed to timely recover unspent FY12 funds, totaling \$4,444, carried over for provider use in FY13. Rather than recover unspent FY12 grant funds, the Authority doubled the funding and extended the grant period to the end of FY13. Although the grant amendment required the \$4,444 unspent FY12 grant funds be offset against FY13 payments, the Authority paid the full \$20,000 for FY13 without offsetting the previously unexpended FY12 amount.

Authority management stated the FY13 grant payment was not reduced because the FY12 unspent amount had not been finalized at the time of the first payment. Management indicated the unspent FY12 grant funds were recovered in a check dated August 15, 2013, over one year after the end of the FY12 grant period, and five months after the final FY13 grant payment was made.

- Prior to renewing a grant, the Authority did not take timely and affirmative action to recover unspent funds of \$9,443 from a grant agreement tested. The final quarterly report from the grantee, indicating this unexpended amount, was received by the Authority on July 27, 2012. The Authority did not send a letter attempting to reclaim these funds until December 17, 2012, nearly five months later, after entering into a renewal grant agreement with the grantee and sending the first full \$10,000 grant payment for the new grant October 3, 2012.

Authority management stated the notification was not sent timely due to oversight and the Year Two grant payment was not reduced because the unspent amount had not been finalized at the time of the first payment.

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- For 44 of 44 (100%) agreements tested, the Authority did not perform site visits despite issues with grantees that should have warranted closer monitoring, including late or incomplete financial and activity reports. The Authority relied on desk reviews of financial and programmatic reports to monitor grantee performance and expenditures. The grant agreements allow the Authority to conduct site visits to observe grantee operations, and site visits are an important monitoring tool to ensure proper compliance with grant terms.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires that all State agencies establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Management stated the Authority did not have the staff resources to perform regular site visits, as had been the process in the past. Upon receiving funding for Neighborhood Recovery Initiative in FY11, the Authority's number of grants increased dramatically and the staff could not perform regular site visits.

The State Records Act (5 ILCS 160/8) requires each agency to preserve records containing adequate and proper documentation of the functions, policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

Failure to properly administer awards and grants decreases the Authority's accountability over funds granted and increases the risk of noncompliance with the provisions of the grant agreement, which could result in funds being utilized for activities other than their intended purpose, as well as a delay in recovering unused funds. (Finding Code No. 2013-003, 12-3)

RECOMMENDATION

We recommend the Illinois Criminal Justice Information Authority (ICJIA) strengthen controls over the grant administration and monitoring processes. Specifically, we recommend ICJIA adhere to adopted grant administration rules, policies, and procedures; comply with provisions of grant agreements; and maintain documentation to demonstrate compliance with grant administration and monitoring. Grant agreements should be executed prior to the beginning of the grant period and commencement of services. Further, ICJIA should monitor grantees by timely performing and documenting follow-up on delinquent programmatic and

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financial reports, site visits, and recovery or return of unspent grant funds, including limiting future funding until grant agreement terms are met.

AUTHORITY RESPONSE

ICJIA partially agrees and partially disagrees with this recommendation. ICJIA's existing grant administration and monitoring procedures already contain the recommendations and we continue to improve and refine our processes. We do disagree with the recommendation that grant agreements be executed prior [to] the beginning of the grant period. ICJIA's practice does require approval of contracts for all its grants through a multi-level approval process. Delays in approval may occasionally result from negotiating details of the contract budget or its narrative description of the program to be implemented, delays in grantees returning grant contracts or providing other required information or material to ICJIA such as certifications, proof of 501 (c)(3) status, DUNS registration and similar materials in the original review process or at execution stage, delays in returning contracts executed by the grantee for execution by ICJIA, occasional periods during [the] ICJIA yearly grant cycle when many grants are being processed for signature at the same time or other occasional staffing issues. ICJIA does not accept the recommendation that providers only be allowed to initiate services after an executed contract has been approved. While this is a requirement under the procurement code for most procurements, grants are excepted from that code requirement. There are cogent reasons for this exclusion. Often, grant contracts are being processed that are continuation grants for programs that are in operation. When there are delays in execution of a continuation contract for whatever reason, it would not be good policy to require the grantee to halt the program until the contract can be executed. ICJIA's grant contract sets forth the performance period for the grant and provides that ICJIA may reimburse a grantee for activities engaged in before execution of the contract, as long as those activities are within the performance period. In the case of such a continuation grant but most especially in respect of new grant programs, a grantee or potential grantee that engages in grant program activities before a contract is actually executed does so at its own risk. In the event that no contract is executed, ICJIA will not and is not required to provide reimbursement for activities undertaken in expectation of a grant. The type of obligations under ICJIA's grant contracts are covered by the Statute of Frauds which require that certain types of contracts be in writing to be enforceable, and prohibits enforcement of alleged verbal agreements. In its approximate 30 years of existence, ICJIA has never been subject to such a claim.

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AUDITOR'S COMMENT

While ICJIA officials indicate that delays in grant approvals may happen “occasionally,” the auditors would characterize the failure to timely approve 75 percent of agreements in FY13 as routine, not “occasional”. Furthermore, ICJIA’s response does not explain the \$900,000 agreement allowing the recipient to expend grant funds for costs incurred up to 15 days prior to the performance period set forth in the grant contract, a practice which would not be permitted by ICJIA’s own response.

ICJIA officials detailed reasons they believe justify starting services prior to grant execution. However, it is not reasonable for services to start before the contract budget, program description, eligibility, and compliance certifications are established. An agency engaging in grant program activities before a contract is actually executed does so at the risk those activities and expenditures may not meet the agency’s requirements.

Although ICJIA officials contend that delays in executing a continuation contract prior to commencement of services could require the grantee to halt a program temporarily, the auditors note the initial one to two year grant period allows ample time for the agency to anticipate and plan for grant renewals. Moreover, the auditors noted none of the late grant executions tested related to grant renewals; all exceptions related to new grants where services were provided without a written agreement.

Authority management stated that late grant execution is a common State practice and the delays did not seem unreasonable to them.

Programs should be properly planned and staffed so that the need to allow grantees to begin work before an agreement is approved does not even become an issue. Allowing a grant provider to work without an executed approved agreement, even though it is not prohibited by the Procurement Code, is a bad business practice and exposes both the State and the grantee to unnecessary risks (such as if State funds are not spent as intended).

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2013-004. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative)

The Illinois Violence Prevention Authority (Authority) had pervasive deficiencies in the planning, implementation, and management of the Neighborhood Recovery Initiative (NRI) program.

NRI is a program designed to reduce risk factors associated with violence. In August 2010, the Governor's Office gave the Authority the responsibility to develop a framework for the program as well as administer and oversee the program. The program served 23 communities in Cook County. In each of these communities, the Authority contracted with a lead agency which was responsible for managing the NRI program in their community and partnering and subcontracting with other community organizations to implement the various program components. The 23 lead agencies, in turn, contracted with 99 coordinating partners and 120 providing partners (community partners) to provide NRI services.

The Authority received \$55 million for Years 1 and 2 of the NRI program (from October 2010 through October 2012). The monies were used to fund the four major NRI program components designed to rebuild "Illinois' most vulnerable neighborhoods and protect youth by offering more jobs and education opportunities." The four components were Mentoring Plus Jobs, Parent Leadership, School-Based Counseling, and Reentry.

The Office of the Auditor General conducted an in-depth Performance Audit of the NRI program, for which the resulting report is being released in conjunction with the compliance examination report for the Authority. The performance audit noted pervasive deficiencies in the planning, implementation, and management of the NRI program:

- The NRI program was hastily implemented, which limited the time the Authority had to adequately plan for and implement the program.
- The Authority did not have adequate staff responsible for critical NRI program functions, such as monitoring and administration, prior to or up to 406 days after implementation.
- The Authority lacked documentation on the selection of communities to be served by NRI, and the communities selected for NRI were not all the most violent in terms of total crime in the Chicago area.
- The Authority did not conduct due diligence to document that the decisions related to the selection of lead agencies were free of any conflict of interest, the appearance of conflict of interest or that the agencies selected were the best entities to provide the needed services.

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2013-004. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative - Continued)

- The Authority's scoring of the Request for Proposal (RFP) submissions identified numerous deficiencies, including evaluation forms with inconsistent criteria, unscored criteria, changed scoring, and undated evaluations.
- The Authority failed to timely approve and document approval of contracts for NRI services with community partners after execution or prior to the commencement of work.
- The budgeting and quarterly reporting processes were ineffectively implemented by many of the community agencies and not effectively monitored by the Authority, thereby significantly reducing their usefulness as a management control over financial reporting.
 - After Year 1 of the NRI programs ended, the Authority continued to amend the budgets for Year 1 funds.
 - Quarterly reports were originally submitted late for 62% of lead agencies and 42% of coordinating and providing partners.
 - Quarterly reports were inaccurate and agencies made multiple revisions, even though agencies had certified the accuracy of originally reported information.
 - Although approval was required before agencies could reallocate their funds to other expense lines, 70% of reallocations lacked approval documentation and 17% lacked justifications as to why the reallocations were needed.
- The Authority lacked documentation to show that they took steps necessary to correct deficiencies by community partners in contractually required staffing levels.
- The Authority failed to enforce contractual provisions regarding the maintenance of timesheets for Mentoring Plus Jobs and Parent Leadership staff: 35% of tested agencies did not maintain timesheets and 22% had partial support for timesheets.
- The Authority failed to monitor lead agency personnel, as detailed in contractual requirements, assigned to the NRI grant. The lack of monitoring resulted in \$1.4 million in questioned personnel costs charged to the State grants.
- The Authority failed to monitor provider staff that worked for either multiple providers or for providers that provided services in multiple settings to ensure the State was not paying for more than 100 percent of the individual's time.
- The Authority allowed providers of reentry services to serve a population that fell outside the contractually required age range for 12% of those that received reentry services.

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- The Authority did not adequately monitor the performance of 78% of NRI communities, which failed to maintain the contractually required caseloads for reentry services.
- The Authority did not complete or maintain 38% of required background checks in the agency files.
- Auditors questioned 40% (\$1,771,522) of NRI expenses at 23 tested providers due to lack of support for reported amounts and unallowable expenses.
- The Authority utilized a grant recovery process that failed to timely recover unspent NRI funds.
- The Authority failed to enforce provisions of an intergovernmental grant agreement for an NRI Evaluation Project, including submission of deliverables and community partner data and timeline compliance.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain systems of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law; and funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. The State Records Act (5 ILCS 160/8) requires the head of each agency to preserve records containing adequate and proper documentation of decisions of the agency. The NRI RFP detailed the scoring and award criteria. Contracts and grant agreements for NRI services detailed the requirements for compliance, administration, oversight, and grant funds recovery. Administrative rules (89 Ill. Adm. Code 1400.120(e)) state, in order to receive renewal grants from the Authority, applicants must have complied with previous grant agreements.

Among the underlying causes for issues identified in the Performance Audit was the fact that the NRI program was on a very fast track for implementation. Further, quarterly reports alerted Authority officials to issues with grantees not meeting contractual requirements, but the auditors saw no evidence that the Authority addressed these issues.

Inadequate planning, implementation and management of the NRI program demonstrates a lack of oversight, reduces accountability, and increases the likelihood that State funds are not expended as approved or the intended program impact may suffer. Failure to prepare and maintain consistent and complete documentation brings decisions into question, decreases transparency over the process, and may expose both the grantee and the State to increased risk. (Finding Code No. 2013-004, 12-4)

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2013-004. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative - Continued)

RECOMMENDATION

We recommend the Illinois Criminal Justice Information Authority implement the recommendations of the Performance Audit of State Moneys Provided Through the Illinois Violence Prevention Authority to the Neighborhood Recovery Initiative.

Chapter 2 - Neighborhood Recovery Initiative – Planning

Recommendation 1: ICJIA should ensure that any changes to the NRI program are adequately planned, documented and communicated, before implementation.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the planning process undertaken by IVPA. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

AUDITOR’S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report is “not sufficient to fully describe and give context to the planning process undertaken by IVPA.” ICJIA was first provided this finding and recommendation on October 15, 2013. At the exit conference on January 15, 2014, ICJIA requested we add additional explanation regarding the planning process. Given that ICJIA provided no documentation at the exit conference that fully supported these activities, we communicated to ICJIA if they wanted additional planning details included in the audit report, they were free to include these additional details in its written responses, which ICJIA chose not to do.

Recommendation 2: ICJIA should accurately develop budgets for each year of NRI and not make changes to previous year budgets after that year is completed.

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2013-004. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative - Continued)

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

Recommendation 3: ICJIA should ensure that decisions regarding the NRI program are adequately documented. Additionally, if decisions are to be made by non-State personnel, ICJIA should require conflict of interest disclosures be completed for any non-State personnel that are involved in the decision making process for the NRI program.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the selection process undertaken by IVPA to identify lead and provider agencies. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

AUDITOR'S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report is not sufficient to "fully describe and give context to the selection process" IVPA utilized to identify lead and provider agencies. The audit report discloses the use of non-State personnel (Chicago aldermen) as an integral part of that selection process. The audit report also accurately describes that IVPA took no steps to ensure that the non-State personnel involved in the selection process were free of any real or perceived conflicts of interest.

Recommendation 4: ICJIA should follow scoring award criteria and complete the same evaluations for all NRI community agencies.

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AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report do not make an appropriate distinction between a competitive selection process and a non-competitive selection process, as IVPA employed. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

AUDITOR'S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not "make an appropriate distinction between a competitive selection process and a non-competitive selection process." The audit report clearly notes that a competitive process was not required and that a competitive process was not used. The report does note, however, that once the lead agencies were selected, for reasons that were not documented, IVPA issued an RFP to select agencies for the NRI program and only sent it to those agencies which were already selected by the non-competitive process. The audit also noted that IVPA's scoring of the proposals had numerous deficiencies.

Recommendation 5 – ICJIA should utilize a payment method for NRI that is tied to actual expenditures of State dollars and not quarterly reports that are subsequently revised. Additionally, ICJIA should ensure that payments for NRI are only made pursuant to the contractual agreement.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A.

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AUTHORITY RESPONSE (CONTINUED)

97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

Recommendation 6 – ICJIA should take the steps necessary to enforce provisions of contractual agreements involving evaluation of the NRI program. Further, ICJIA should require community partners to comply with contractual agreements and submit the required data for evaluation or seek to remove the community partners from the program. ICJIA should also consider tying payments to contractual deliverables to ensure work is not only completed but also completed according to the agreed upon dates. Given the investment the State has in the NRI program, ICJIA should conduct an evaluation of how effective the NRI program has been in reducing violence levels in the applicable communities that received funding.

AUTHORITY RESPONSE

ICJIA agrees with this recommendation in part. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA has evaluated and will continue evaluations of the ICJIA CVPP program which is the successor to NRI. ICJIA will hold lead and provider agencies to their contractual obligations regarding data reporting and will take progressive corrective action up to and including termination of a contract if other corrective actions are unsuccessful. ICJIA will ensure that contractual obligations regarding evaluation contracts will be enforced and if circumstances require, will enter into contract amendments to document any agreements to modify the original contract terms and schedules. ICJIA will require lead and subcontracting provider agencies to submit data as called for in contracts. ICJIA will further tie payments to deliverables. ICJIA does not agree that overall community violence levels are an appropriate measure of the effectiveness of a discrete program such as NRI or CVPP. NRI provided direct services in the way of jobs and mentoring to about 1700 youth and jobs to 1600 adults per year, parenting skills services to roughly 1,000 parents per year, counselling services to over 3600 youth over the two years, and re-entry services to almost 600 young people returning to the community from correctional facilities. NRI services were provided to between 1 and 2 per cent of the population in the NRI communities. ICJIA is in the process of developing a long term outcome evaluation to determine whether individuals participating in the CVPP have lower rates of criminal involvement and other measures of improved social outcomes.

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AUDITOR'S COMMENT

The audit report does not recommend using “overall community violence levels” to measure the effectiveness of the NRI program. The only place overall community violence levels are discussed in the report is to determine, as required by House Resolution No. 1110, whether residential communities with crime rates similar to communities selected to participate in the NRI program were excluded from the program.

The audit report does recommend an evaluation of the effectiveness of the program in reducing violence. NRI was a violence prevention program. The IVPA had a \$498,000 contract with the University of Illinois “for purposes of data analysis and evaluation” of the NRI program. The U of I contract did not require an assessment of the program’s impact on violence. In a discretionary program as large as the NRI program, simple logic would suggest management would want to know, and should be able to show, whether the \$55 million program was having its desired impact.

Chapter 3 – Neighborhood Recovery Initiative – Personnel

Recommendation 7: ICJIA should enforce provisions of the NRI contracts with lead agencies and ensure it is aware of the staff assigned to conduct NRI activities under the State grant.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the staff monitoring process undertaken by IVPA. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP. However, ICJIA generally only identifies individuals hired under grants by job title and not by name to avoid any appearance that ICJIA favors certain individuals in its grant process.

AUDITOR'S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and

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AUDITOR’S COMMENT (CONTINUED)

documentation supporting its assertion that the audit report does not “fully describe and give context to the staff monitoring process undertaken by IVPA.” IVPA developed the contractual requirement that staffing changes were to be reported within 10 days. Our analysis found that providers did not comply with this contractual requirement and it was not enforced by IVPA.

Recommendation Number 8 – ICJIA should either ensure that providers hire the required number of positions for NRI or determine if other levels need to be memorialized in contractual agreements. Additionally, when quarterly reports show problems with hiring practices, ICJIA should document how those problems are resolved.

AUTHORITY RESPONSE

ICJIA agrees, in part, with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the hiring of NRI staff and participants. ICJIA further notes that the recommendation is generally consistent with current ICJIA practices. However, with regard to service programs, ICJIA sets goals in its contracts rather than absolute contractual requirements for numbers of participants and requires agencies to provide an explanation when such goals are not met, and will do the same with regard to CVPP.

AUDITOR’S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not “fully describe and give context to the hiring of NRI staff and participants.” The IVPA developed contracts and design of Mentoring Plus Jobs and Parent Leadership in Action Network components required the providers to hire certain specific staffing levels. The State fulfilled its end of the agreement by providing the funding for the full amount of the staffing design to the lead agencies. IVPA failed to enforce these contractual requirements.

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Recommendation Number 9 - ICJIA should ensure that NRI providers maintain contractually required timesheets on staff that perform NRI activities. Additionally, ICJIA should be consistent with respect to timesheets in all contractual agreements for NRI.

AUTHORITY RESPONSE

ICJIA partially agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA, particularly as to the youth and parents who participate in the program. As to providers, ICJIA will evaluate whether each provider's current timekeeping policy and documentation is sufficient under the grants.

Recommendation 10 - ICJIA should take the necessary steps to gather and monitor information to ensure that individuals are not paid in excess of 100 percent of their time for work on NRI and other State grant programs.

AUTHORITY RESPONSE

ICJIA agrees with this recommendation generally but does note that there may be instances, as the Audit Report notes, where an individual may legitimately be putting in more than full time employment (more than 40 hours per week) but ICJIA will monitor such situations carefully. ICJIA will require that it be notified whether any individual employed as a result of ICJIA's CVPP is being paid under more than one grant from ICJIA or other granting agency and will require that those individuals submit timesheets to ICJIA so that any potential abuses may be identified.

Chapter 4 - Neighborhood Recovery Initiative - Monitoring

Recommendation 11: ICJIA should ensure it has documentation to support how communities are selected for NRI State grant monies before expending any funds on any programs.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to any additional communities that might be added to CVPP. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. As to existing CVPP communities, they have already been selected and ICJIA is not

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AUTHORITY RESPONSE (CONTINUED)

contemplating terminating services in those areas in light of the infrastructure and community organization collaborations which have been built up in the last several years. ICJIA has begun and will continue efforts to have organizations in the existing communities formally expand their catchment areas to provide services to individuals from other communities in need, though not presently a named CVPP community, a practice which some agencies have already begun.

Recommendation 12: ICJIA should ensure that approval of all contracts for NRI services is maintained and that timely approvals are completed. Additionally, ICJIA should only allow providers to initiate NRI services after an executed contract has been approved.

AUTHORITY RESPONSE

ICJIA agrees with this recommendation, in part, for the CVPP. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA's practice does require approval of contracts for all its grants including the CVPP contracts through a multi-level approval process. Delays in approval may occasionally result from negotiating details of the contract budget or its narrative description of the program to be implemented, delays in grantees returning grant contracts or providing other required information or material to ICJIA such as Civil Rights and EEOC Certifications, proof of 501 (c)(3) status, DUNS registration and similar materials in the pre-execution review process or at execution stage, delays in returning contracts executed by the grantee for execution by ICJIA, occasional periods during ICJIA's yearly grant cycle when many grants are being processed for signature at the same time or other occasional staffing issues. ICJIA respectfully disagrees with the recommendation that providers only be allowed to initiate services after an executed contract has been approved. While this is a requirement under the Illinois Procurement Code for most procurements, grants are exempt from that Code requirement. There are cogent reasons for this exclusion. Often, as is the case with CVPP, grant contracts are being processed that are continuation grants for programs that are in operation. When there are delays in execution of a continuation contract for whatever reason, it would not be good policy to require the grantee to halt the program until the contract can be executed. ICJIA's grant contract sets forth the performance period for the grant and provides that ICJIA may reimburse a grantee for grant project activities engaged in before execution of the contract, as long as those activities are within the performance period. In the case of such a continuation grant, but most especially with respect to

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AUTHORITY RESPONSE (CONTINUED)

new grant programs, a grantee or potential grantee that engages in grant program activities before a contract is actually executed does so at its own risk. In the event that no contract is executed, ICJIA will not and is not required to provide reimbursement for activities undertaken in expectation of a grant. The type of obligations under ICJIA's grant contracts are covered by the Statute of Frauds which require that certain types of contracts be in writing to be enforceable, and prohibits enforcement of alleged verbal agreements. In its approximate 30 years of existence, ICJIA has never been subject to such a claim.

AUDITOR'S COMMENT

While ICJIA officials indicate that delays in grant approvals may happen "occasionally," auditors would not characterize the failure to timely approve 40 percent of agreements as "occasional". Furthermore, ICJIA's response does not explain the 32 NRI contracts that showed no evidence of IVPA approval. Programs should be properly planned and staffed so that the need to allow grantees to begin work before a contract is approved does not even become an issue. Allowing a grant provider to work without an executed approved agreement, even though it is not prohibited by the Procurement Code, is a bad business practice and exposes both the State and the grantee to unnecessary risks (such as if State funds are not spent as intended).

Recommendation 13: ICJIA should ensure that lead agencies are appropriately monitoring partner agencies. ICJIA should require that lead agencies require partner agencies to submit quarterly reports that are timely and accurately approved and certified. Additionally, ICJIA should consider collecting and reviewing all supporting documentation to ensure State resources are appropriately expended on the NRI program.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA, that it should ensure that lead agencies are appropriately monitoring partner agencies. ICJIA further agrees with the recommendation that lead agencies require partner agencies to submit reports that are timely and accurately approved and certified. ICJIA has considered the question of whether it should (and can) collect and review all supporting documentation and has determined that it would simply not be feasible to do so with existing grant and other staff. However, ICJIA will be requiring lead agencies to assume a more active role in monitoring activities of provider agencies. In addition to reviewing quarterly provider fiscal and program progress reports, lead

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AUTHORITY RESPONSE (CONTINUED)

agencies will continue to be required to have monthly site meetings with each of their provider agencies. ICJIA will require lead agencies to document those meetings and the matters discussed. The lead agencies will be required for each such meeting to pick one area of expenditures, to discuss the expenditures with the provider agency, and to require that supporting documentation be produced to support the claimed expenditure.

Recommendation 14: ICJIA should enforce contractual provisions for the population of Reentry participants that should be served by providing partners for the NRI program. Additionally, ICJIA should examine which providers are not serving the contractually required number of Reentry participants and look to adjust funding to levels that are more appropriate to actual service levels.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA however notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the reentry payment process by IVPA. ICJIA is working with the Department of Corrections and the Department of Juvenile Justice and will work with probation departments to determine as accurately as possible the number of reentry eligible participants that can be expected in each community. ICJIA notes that recordkeeping by some of those entities is by zip code rather than community and zip codes may overlap one or more community areas which may present difficulties in absolutely accurate determinations. ICJIA has expanded the range of ages eligible for CVPP services and will enforce those age limits for reimbursement claims by the provider agencies.

AUDITOR'S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not "fully describe and give context to the reentry payment process by IVPA."

Recommendation 15: ICJIA should ensure that all required background checks have been completed for the NRI program by developing procedures to

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RECOMMENDATION (CONTINUED)

check, at least on a test basis, provider compliance with this contractual provision. Additionally, ICJIA should consider requiring some form of background check on the youth employed in the program to ensure that they are individuals that can truly assist the NRI program goal to decrease violence.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA however does not accept all assertions of fact, implications and conclusions contained in the Audit Report as to requiring background checks with respect to all adults or all youth employed by the program. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

AUDITOR'S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that it does not accept the report's conclusions as to "requiring background checks with respect to all adults or all youth employed by the program." Regarding background checks on adults, the audit report simply recommends that background checks required by the contract be done. Regarding youth, the audit report recommends that ICJIA should consider performing some sort of background check. Its non-acceptance of the report's conclusions on this matter is puzzling given that in its response, ICJIA states it agrees with the recommendation and that it is consistent with current ICJIA practices.

Recommendation 16: ICJIA should follow the contractual provisions detailed in NRI contracts when processing/approving budget reallocations. Further, ICJIA should take the necessary steps to make guidance for reallocation approvals consistent with contractual provisions.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states,

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AUTHORITY RESPONSE (CONTINUED)

the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA will continue to follow its current budget revision practices, which are compliant with this recommendation.

Recommendation 17: ICJIA should include sections in all grant agreements for NRI, including those between lead agencies and sub-partners, to protect the State against misuse of State funds and should exercise the State's right to request capital equipment be returned to the state when it is no longer used for its intended purposes.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. For its grants, ICJIA contracts do address capital equipment. These contracts indicate that ICJIA has discretion to allow the grantee to keep the equipment past the end of the grant period if it is going to be used for a purpose consistent with the purpose of the grant. Similar provisions will apply to CVPP.

Recommendation 18: ICJIA should develop procedures for its own review of expense support for NRI activities as well as procedures for lead agencies to utilize in monitoring expenses for NRI.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that it has such policies in place for all of its grants and is in the process of refining those for CVPP after its first year of experience with the program. While it is not feasible for ICJIA or the lead agencies to require the

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AUTHORITY RESPONSE (CONTINUED)

submission of all supporting documentation for all expenditures, ICJIA will be requiring site visits by the lead agencies to the individual providers, and for the lead agency to examine, on a test basis, a reported expenditure and to examine supporting documentation for the expenditures, and to provide ICJIA with documentation that the procedure has been followed.

AUDITOR'S COMMENT

Contrary to our recommendation, ICJIA's response indicates that its planned action will be to continue to delegate its expenditure monitoring responsibilities to lead agencies, with ICJIA only receiving documentation that lead agencies are following established procedures. Our recommendation calls for ICJIA to become more proactive in its oversight of the expenditure of State funds by developing "procedures for its own review of expense support for NRI activities . . ." [emphasis added], in addition to improving lead agencies' expense review procedures. During the audit period, IVPA delegated expenditure review responsibility to the lead agencies. Based on site visits conducted by OAG auditors, which found insufficient supporting documentation for 40 percent of expenditures incurred by 23 provider agencies, auditors concluded that ICJIA needed to significantly improve its oversight of expenditures. Clearly, relying solely on lead agencies to review NRI expenses has not been an effective control.

Recommendation 19: ICJIA should enforce contractual provisions relative to collection of unspent grant funds for the NRI program to ensure all unspent funds are returned to the State in a timely manner. Also, ICJIA should reconsider any NRI policy which allows rollover of unspent funds from a year to a subsequent year for NRI activities.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes the recommendations are consistent with its normal grant practices. ICJIA notes that it is actively pursuing collection activities for unspent, unreturned NRI funds including use of Grant Fund Recovery Act proceedings where appropriate.

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AUDITOR'S COMMENT

The Performance Audit Report acknowledges ICJIA's recovery efforts. However, 22 of the 50 providers (as detailed in Appendix E of the Performance Audit Report) that owed unspent funds back to the State (totaling \$1.2 million) at the end of Year 2 were still in the Program during Year 3. It is concerning that these amounts would still be uncollected as of January 15, 2014, 396 days after they were due based on contractual agreements and the Grant Funds Recovery Act.

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2013-005. **FINDING** (Inadequate Controls over Disposition, Recording, and Reporting of State Property)

The Illinois Violence Prevention Authority (Authority) did not maintain adequate controls over the disposition, recording, and reporting of State property. We noted:

- The Authority became part of the Illinois Criminal Justice Information Authority during FY13 and ceased to exist as a separate stand alone agency. We tested the Authority's final disposition of property and equipment and noted the Authority did not conduct a timely inventory of property and equipment prior to the Authority's closure. According to Authority records, the last inventory was conducted on February 29, 2012, 387 days prior to the Authority's relocation of staff and property to the Illinois Criminal Justice Information Authority's (ICJIA) separate location. At the beginning of FY13, the Authority reported property totaling \$220,032.
- One property item with an original cost of \$121 was not recorded as a transfer to ICJIA.
- Property records did not identify the individual and location to whom two laptop computers, totaling \$1,280, were assigned by the Authority.
- The Agency Report of State Property (Form C-15) reports filed with the Office of the Comptroller contained several inaccuracies and discrepancies, including:
 - Two of two (100%) quarterly C-15's prepared by Authority staff did not report the ending equipment balance per Agency records under the category "Amount per GAAP" as required by the Statewide Accounting Management System (SAMS).
 - The Authority improperly categorized equipment transferred to the Department of Central Management Systems (CMS) as deletions during the 1st quarter of Fiscal Year 2013 (FY13). The equipment transfers, totaling \$18,589, consisted of various office equipment, printers, and computer equipment. Due to the Authority incorrectly categorizing the transfer of equipment, the Authority did not report on the C-15 transfer information documenting the receiving agency and the total dollar amount of equipment transferred.
 - The Authority improperly categorized a Blackberry phone with an acquisition cost of \$129 transferred from another State agency as additions during the 2nd quarter of FY13.

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2013-005. **FINDING** (Inadequate Controls over Disposition, Recording, and Reporting of State Property - Continued)

- The Authority failed to timely report a new scanner replaced under warranty as a property addition valued at \$490. The Authority recorded the replacement scanner on property records six months after receipt. Further, the Authority removed the defective scanner property number from the Authority's property records, but the item was kept by the Authority. Subsequent to our testing, the Authority transferred the defective scanner to another State agency.
- The Authority reported equipment transferred-out to CMS as transfers-in on the Form C-15 for the 1st quarter of FY13.
- The Authority did not properly record the purchase of an equipment item with an acquisition cost of \$138 on the C-15. The Authority was required to record the item, purchased in FY12, as additions not previously reported on the FY13 1st quarter C-15 as required by SAMS.

The State Property Control Act (30 ILCS 605/4) requires every State agency maintain accountability for the supervision, control, and inventory of all property under their jurisdiction. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all agencies to establish and maintain internal fiscal and administrative controls to provide assurance property is safeguarded against loss, transfers of assets are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the State's resources.

The Illinois Administrative Code (44 Ill. Adm. Code 5010.400) requires agencies to update property records within 30 days of acquisition, change, or deletion of equipment items. The Illinois Administrative Code (44 Ill. Adm. Code 5010.410) requires all agencies perform an annual property inventory and also requires agencies scheduled for closure or cessation of operations to perform an inventory of equipment.

The Statewide Accounting Management System (SAMS), Procedure 29.20.10, details requirements for each Agency to properly report all property additions, deletions, and transfers to the Office of the State Comptroller on the Form C-15. This procedure requires that the ending balance of equipment be reported quarterly and specifies that transfers, not deletions, should include items that have been sent to DCMS surplus property. In addition, the procedure requires the Authority to report the dollar amount of the asset transfers and the name of the State agency(s) involved. Per SAMS, if the balance of net transfers is negative, it must be shown in brackets.

Authority officials stated noted deficiencies were due to lack of awareness of C-15 requirements, competing priorities and employee oversight.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF FINDINGS
For the Period July 1, 2012 Through January 24, 2013

2013-005. **FINDING** (Inadequate Controls over Disposition, Recording, and Reporting of State Property - Continued)

Failure to maintain and report accurate, timely property information and maintain adequate controls over equipment reduces the accountability over assets and increases the likelihood that theft or loss could occur and not be prevented, detected or corrected. (Finding Code No. 2013-005, 12-06)

RECOMMENDATION

We recommend the Illinois Criminal Justice Information Authority maintain and timely report accurate property information and ensure an annual inventory is conducted.

AUTHORITY RESPONSE

ICJIA agrees with this recommendation. ICJIA's existing controls for recording and reporting State property already contain the OAG recommendation.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
PRIOR FINDINGS NOT REPEATED
For the Period July 1, 2012 Through January 24, 2013

A. **FINDING** (Inadequate Controls over Filing of Statements of Economic Interest)

During the prior examination, the Illinois Violence Prevention Authority (Authority) did not exercise adequate controls over the filing of Statements of Economic Interest. One employee failed to file a required economic interest statement. In addition, six of six (100%) Statements of Economic Interest filed by Authority employees designated the Office of the Attorney General, instead of the Authority, as the office or position of employment for which the statements were filed.

During the current examination, the Authority operations became part of the Illinois Criminal Justice Information Authority operations before the date in which annual Statements of Economic Interest were required to be filed with the Secretary of State. (Finding Code No. 12-5)

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
For the Period July 1, 2012 Through January 24, 2013

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
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation of Cash Receipts to Deposits
 - Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
- Analysis of Operations (Not Examined):
 - Functions and Planning (Not Examined)
 - Average Number of Employees (Not Examined)
 - Board Members (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 auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the Fiscal Year 2013 supplementary information in Schedules 1 through 7. 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
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Period July 1, 2012 Through January 24, 2013

SCHEDULE 1

P.A. 97-0731 FISCAL YEAR 2013	Appropriations (Net of Transfers)	Total Expenditures 8 Months Ended February 28	Unexpended Appropriations (See Note 3)
APPROPRIATED FUNDS			
General Revenue Fund - 001			
Contractual Services	\$ 27,300	\$ 14,757	\$ 12,543
Illinois Family Violence Coordinating Council Program	544,500	383,741	160,759
Bullying Prevention	273,000	-	273,000
Violence Prevention Grants	1,441,400	298,920	1,142,480
Subtotal - Fund 001	<u>\$ 2,286,200</u>	<u>\$ 697,418</u>	<u>\$ 1,588,782</u>
Violence Prevention Fund - 184			
Personal Services	\$ 529,300	\$ 282,920	\$ 246,380
State Contribution to State Employees' Retirement System	201,100	107,531	93,569
State Contributions to Social Security	40,500	20,740	19,760
Group Insurance	188,400	105,117	83,283
Contractual Services	7,000	1,092	5,908
Travel	6,000	1,185	4,815
Commodities	3,000	1,664	1,336
Printing	1,000	-	1,000
Equipment	1,000	-	1,000
Electronic Data Processing	3,000	685	2,315
Telecommunications	10,000	2,066	7,934
Grants per Violence Prevention Act of 1995	1,200,000	740,917	459,083
Subtotal - Fund 184	<u>\$ 2,190,300</u>	<u>\$ 1,263,917</u>	<u>\$ 926,383</u>
Total Appropriated Funds	<u>\$ 4,476,500</u>	<u>\$ 1,961,335</u>	<u>\$ 2,515,165</u>
NON-APPROPRIATED FUNDS			
Illinois Violence Prevention Authority Special Projects Fund - 318			
Voices for Illinois Children		\$ 135,200	
State Board of Education Grant		149,683	
Governor's Neighborhood Recovery Initiative		434,854	
Grants and Operations for Special Projects Grants		8,314,274	
US Department of Justice Violence Against Women		199,093	
Refund to Voices for Illinois Children		24,673	
Total Non-Appropriated Funds		<u>\$ 9,257,777</u>	
GRAND TOTAL - ALL FUNDS		<u>\$ 11,219,112</u>	

Note 1: Appropriations, expenditures, and lapsed balances were obtained directly from Authority records and were reconciled to State Comptroller Records.

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

Note 3: Per PA 97-1151, all unexpended appropriations, balances, and other funds available for use by the Authority shall be transferred for use by the Illinois Criminal Justice Information Authority as soon as practicable after January 25, 2013.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For Fiscal Years

SCHEDULE 2

	2013	2012
	<u>P.A. 97-0731</u>	<u>P.A. 97-0065</u> <u>P.A. 97-0686</u>
APPROPRIATED FUNDS		
<hr/>		
<u>General Revenue Fund - 001</u>		
<u>Appropriations (Net After Transfers)</u>	\$ 2,286,200	\$ 12,512,200
<u>Expenditures</u>		
Contractual Services	\$ 14,757	\$ 20,018
Illinois Family Violence Coordinating Council Program	383,741	598,208
Bullying Prevention	-	256,472
Neighborhood Recovery Initiative	-	9,812,437
Violence Prevention Grants	298,920	1,583,900
Total Expenditures	\$ 697,418	\$ 12,271,035
<u>Unexpended Balances</u>	<u>\$ 1,588,782</u>	<u>\$ 241,165</u>
<u>Violence Prevention Fund - 184</u>		
<u>Appropriations (Net After Transfers)</u>	\$ 2,190,300	\$ 2,105,100
<u>Expenditures</u>		
Personal Services	282,920	492,502
State Contribution to State		
Employees' Retirement System	107,531	147,668
State Contributions to Social Security	20,740	35,875
Group Insurance	105,117	128,747
Contractual Services	1,092	8,379
Travel	1,185	3,513
Commodities	1,664	2,873
Printing	-	893
Equipment	-	429
Electronic Data Processing	685	2,875
Telecommunications	2,066	5,346
Grants per Violence Prevention Act of 1995	740,917	1,014,927
Total Expenditures	\$ 1,263,917	\$ 1,844,027
<u>Unexpended Balances</u>	<u>\$ 926,383</u>	<u>\$ 261,073</u>
<u>DHS Special Purpose Trust - 408</u>		
<u>Appropriations (Net After Transfers)</u>	\$ -	\$ 10,675,600
<u>Expenditures</u>		
Community Grants	\$ -	\$ -
Family Violence Prevention	-	-
Total Expenditures	\$ -	\$ -
<u>Unexpended Balances</u>	<u>\$ -</u>	<u>\$ 10,675,600</u>

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For Fiscal Years

SCHEDULE 2

	2013	2012
<u>Preventative Health and Health Service - 873</u>		
Appropriations (Net After Transfers)	\$ -	\$ 1,500,000
Expenditures		
Sexual Assault Prevention Programs	\$ -	\$ -
Rape Prevention Education Programs	-	-
	-	-
Total Expenditures	\$ -	\$ -
<u>Unexpended Balances</u>	\$ -	\$ 1,500,000
Total Appropriated Funds		
<u>Appropriations (Net After Transfers)</u>	\$ 4,476,500	\$ 26,792,900
Total Expenditures	1,961,335	14,115,062
<u>Unexpended Balances</u>	\$ 2,515,165	\$ 12,677,838
NON-APPROPRIATED FUNDS		
<hr/>		
<u>Special Projects Fund - 318</u>		
Expenditures		
Voices for Illinois Children	\$ 135,200	\$ 225,474
State Board of Education Grant	149,683	407,936
Safety Net Works Grant Program	-	3,977
Governor's Neighborhood Recovery Initiative	434,854	25,705,824
Grants and Operations for Special Projects	8,314,274	24,286,794
US Department of Justice Violence Against Women	199,093	17,578
Refund to Voices for Illinois Children	24,673	22,531
	24,673	22,531
Total Non-Appropriated Expenditures	\$ 9,257,777	\$ 50,670,114
GRAND TOTAL - ALL FUNDS	\$ 11,219,112	\$ 64,785,176

Note: Per PA 97-1151, all unexpended appropriations, balances, and other funds available for use by the Authority shall be transferred for use by the Illinois Criminal Justice Information Authority as soon as practicable after January 25, 2013.

STATE OF ILLINOIS
 ILLINOIS VIOLENCE PREVENTION AUTHORITY
 COMPLIANCE EXAMINATION
SCHEDULE OF CHANGES IN STATE PROPERTY
 For the Period July 1, 2012 Through January 24, 2013

SCHEDULE 3

	Equipment
Balance, July 1, 2012	\$ 220,786
Additions	628
Deletions	0
Net Transfers	(221,414)
Balance, March 31, 2013	\$ 0

Note 1: This schedule has been derived from Authority records, which were reconciled to property reports submitted to the Office of the State Comptroller and the Department of Central Management Services.

Note 2: The Authority's equipment amounts presented above reflect adjustments to correct errors and discrepancies in property records and reports, as reported in Finding 2013-005.

Note 3: Public Act 97-1151 required all property of the Authority to be transferred to the Illinois Criminal Justice Information Authority (ICJIA) as soon as practicable after January 25, 2013. All remaining Authority property was transferred to ICJIA by March 31, 2013.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years

SCHEDULE 4

	Fiscal Year	
General Revenue Fund - 001	2013	2012
Prior Year Refund	\$ 32,814	\$ 19,565
Violence Prevention Fund - 184		
Miscellaneous	\$ 17	\$ 17
Prior Year Refund	-	21,700
Total - Fund 184	\$ 17	\$ 21,717
IVPA Special Projects Fund - 318		
US Department of Justice	\$ 230,678	\$ 19,500
Illinois State Board of Education	-	499,348
Miscellaneous	-	17
Private Organization or Individual	115,600	135,600
Prior Year Refund	244,356	155,822
Total - Fund 318	\$ 590,634	\$ 810,287
GRAND TOTAL RECEIPTS - ALL FUNDS	\$ 623,465	\$ 851,569

Note: Per PA 97-1151, all funds available for use by the Authority shall be transferred for use by the Illinois Criminal Justice Information Authority as soon as practicable after the January 25, 2013 effective date of the Act. The Authority's receipt activity ceased February 28, 2013.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
**RECONCILIATION OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER**

SCHEDULE 5

For the Fiscal Years

	Fiscal Year	
	2013	2012
<u>GENERAL REVENUE FUND - 001</u>		
Receipts per Authority Records	\$ 32,814	\$ 19,565
Add: Deposits in Transit, Beginning of Year	0	0
Less: Deposits in Transit, End of Year	0	0
Deposits Recorded by the Comptroller	\$ 32,814	\$ 19,565
 <u>VIOLENCE PREVENTION FUND - 184</u>		
Receipts per Authority Records	\$ 17	\$ 21,717
Add: Deposits in Transit, Beginning of Year	0	0
Less: Deposits in Transit, End of Year	0	0
Deposits Recorded by the Comptroller	\$ 17	\$ 21,717
 <u>SPECIAL PROJECTS FUND - 318</u>		
Receipts per Authority Records	\$ 590,634	\$ 810,287
Add: Deposits in Transit, Beginning of Year	914	0
Less: Deposits in Transit, End of Year	0	(914)
Deposits Recorded by the Comptroller	\$ 591,548	\$ 809,373

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Period July 1, 2012 Through January 24, 2013

SCHEDULE 6

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2012 AND 2013

Public Act 97-1151 required all unexpended appropriations and balances and other funds available for use by the Authority to be transferred for use by the Illinois Criminal Justice Information Authority (ICJIA) as soon as practicable after January 25, 2013. Most Fiscal Year (FY) 2013 variances were due to the Authority's expenditures ending February 28, 2013, resulting in an expected 33% decrease from FY12 expenditures. Significant variations in expenditures are considered to be fluctuations greater than 50% and \$10,000, as described below.

General Revenue Fund - 001

Bullying Prevention

The decrease in expenditures was due to the Authority's receipt of appropriated funds for bullying prevention grants in FY12, which were not received in FY13.

Neighborhood Recovery Initiative (NRI)

The decrease in expenditures was due to the NRI grant program ending in October 2012, advance funding of grant payments, and payment of FY13 NRI expenditures from the 318 Fund.

Violence Prevention Grants

The decrease in expenditures was due to the majority of FY13 awards and related grant payments occurring after the transfer of operations and unexpended balances to ICJIA.

Special Projects Fund - 318

State Board of Education Grant

The decrease in expenditures was due to a lack of grant funding from the State Board of Education in FY13.

Governor's Neighborhood Recovery Initiative (NRI)

The decrease in expenditures was due to the NRI grant program ending in October 2012 and due to advance funding of grant payments. The NRI program was funded by a transfer of Governor's discretionary appropriations from the 001 Fund in FY11. See Finding 2013-001.

Grants and Operations for Special Projects

The decrease in expenditures was due to a reduction in special projects grants in FY13, which were first funded by a transfer of Governor's discretionary appropriations from the 001 Fund for FY11 expenditure. See Finding 2013-001.

US Department of Justice Violence Against Women

The increase in expenditures was due to federal grant funding first received during FY12, for which the grant program was fully implemented in FY13.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Period July 1, 2012 Through January 24, 2013

SCHEDULE 7

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2012 AND 2013

Public Act 97-1151 required all funds available for use by the Authority to be transferred for use by the Illinois Criminal Justice Information Authority as soon as practicable after January 25, 2013. Most Fiscal Year (FY) 2013 variances were due to the transfer of FY13 receipt processing to the Illinois Criminal Justice Information Authority on February 28, 2013, resulting in an expected 33% decrease from FY12 receipts. Significant variations in receipts are considered to be fluctuations greater than \$5,000 and which decreased by more than 50% from FY12, and are described below.

General Revenue Fund - 001

Prior Year Refunds

Receipts for prior year refunds increased from FY12 to FY13 due to grantees returning more unspent grant funds than in the previous fiscal year. Refunds were expected to fluctuate between years.

Violence Prevention Fund - 184

Prior Year Refunds

Receipts for prior year refunds decreased from FY12 to FY13 due to grantees returning less unspent grant funds than in the previous fiscal year. Refunds were expected to fluctuate between years.

Special Projects Fund - 318

US Department of Justice (USDOJ)

Receipts from the USDOJ increased from FY12 due to full implementation of a federally funded grant program during FY13, resulting in increased federal grant reimbursements to the Authority.

Illinois State Board of Education (ISBE)

Receipts from ISBE decreased from FY12 to FY13 due to the Authority not receiving funding from ISBE during FY13.

Prior Year Refunds

Receipts for prior year refunds increased from FY12 to FY13 due to grantees returning more unspent grant funds than in the previous fiscal year. Refunds were expected to fluctuate between years.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
FUNCTIONS AND PLANNING (NOT EXAMINED)
For the Period July 1, 2012 Through January 24, 2013

FUNCTIONS AND PLANNING (NOT EXAMINED)

The Illinois Violence Prevention Authority (Authority) was created by the Illinois Violence Prevention Act of 1995 (20 ILCS 4027/10) to address the prevention of all forms of interpersonal violence, including family violence (child abuse, domestic violence, elder abuse), youth and gang violence, sexual assault, and hate violence. The Authority took a public health and public safety approach to violence prevention and provided funding and other resources to local and statewide violence prevention efforts. The Authority was governed by a body of appointed members. The Authority was financed by General Revenue Fund appropriations, Illinois Violence Prevention Fund appropriations, and the IVPA Special Projects Fund, a non-appropriated account that received and expended funds associated with Interagency Agreements and other grants.

The Authority conducted the following activities:

Planning

The Authority was responsible for developing a State Plan for the prevention of violence in Illinois. The Authority's Board approved extending the Fiscal Year (FY) 2008-2012 plan through FY 2013. This plan focused on multiple priorities, including improvement of the health care system's response to and prevention of domestic violence, sexual assault, and elder abuse; services for children exposed to violence and their families, as well as related public education and prevention efforts; engagement of youth in violence prevention efforts; evaluation of a statewide gun violence prevention program; implementing collaborative projects; development of a five-year strategic plan focused on children and youth.

Coordinating

The Authority was responsible for coordinating violence prevention efforts in Illinois and accomplished this through initiating and/or participating in multi-disciplinary, collaborative, prevention efforts conducted by members of the Authority and others, and through interagency agreements that authorized the Authority to administer grant programs funded by other agencies, such as the Safety Net Works Program and the Social Emotional Learning Professional Development Project. The Authority's staff members were actively involved in a variety of coordinated, collaborative efforts. The Director of Grant Programs sat on the Council of the Chicago Safe Start Advisory Council and the Springfield based Program Developer sat on the Illinois Suicide Prevention Alliance. The Authority was also a leader in the Illinois Childhood Trauma Coalition and Illinois Health Cares.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
FUNCTIONS AND PLANNING (NOT EXAMINED)
For the Period July 1, 2012 Through January 24, 2013

Funding

The Authority administered a variety of grant programs to support local and statewide efforts to prevent violence. Grant recipients included local community agencies, public health departments, schools, law enforcement agencies, domestic violence and sexual assault programs, youth agencies and regional and statewide agencies.

Developing Resources

The Authority was responsible for developing public and private resources to support local and statewide violence prevention efforts. This included applying for and receiving federal funds, entering into interagency agreements with other State agencies and receiving grants from private organizations.

Providing Technical Assistance

The Authority was responsible for providing technical assistance to build the capacity of Statewide and local violence prevention programs. This was a major priority of the Authority and was accomplished through staff support and through contracts with other entities.

Evaluating

The Authority was charged with evaluating State and local violence prevention efforts. This was accomplished through requiring funded projects to comply with the evaluation project associated with their grant program; conducting outside evaluations of certain Authority grant programs; and providing grant funding for evaluation of large initiatives such as CeaseFire.

Transfer of Responsibility to Illinois Criminal Justice Information Authority

Effective January 25, 2013, Public Act 097-1151 (Act) transferred all powers, duties, rights, and responsibilities of the Illinois Violence Prevention Authority to the Illinois Criminal Justice Information Authority. The Act required the transfer of personnel, records, property, contracts, pending business, unexpended appropriations, balances, and funds as soon as practicable after the Act's effective date.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
AVERAGE NUMBER OF EMPLOYEES (NOT EXAMINED)
For the Period July 1, 2012 Through January 24, 2013

AVERAGE NUMBER OF EMPLOYEES (NOT EXAMINED)

The following table, prepared from Authority records, presents the average number of employees, by function, for the Fiscal Year ended June 30, 2012 and the period ended February 16, 2013 when the Authority transferred all employees to the Illinois Criminal Justice Information Authority.

<u>General Revenue Fund (001)</u>	<u>2013</u>	<u>2012</u>
Director of Illinois Family Violence Coordinating Councils Program	1	1
NRI Program Director	0	1
NRI Program Developer	0	2
NRI Contract Monitor	0	1
NRI Assistant Grants Manager	0	1
NRI Administrative Assistant	0	1
Assistant Fiscal Manager	1	0
Administrative Assistant	1	0
Total average full-time employees (Fund 001)	3	7
<u>Violence Prevention Fund (184)</u>	<u>2013</u>	<u>2012</u>
Director	0	1
Director of Grant Programs	1	1
Assistant Director of Grant Programs	1	1
Fiscal/Contract Manager	1	1
Program Developer	2	2
Office Manager	1	1
Assistant Fiscal Manager	0	1
Administrative Assistant	0	1
Total average full-time employees (Fund 184)	6	9
<u>Violence Prevention Special Projects Fund (318)</u>	<u>2013</u>	<u>2012</u>
NRI Program Director	1	0
NRI Program Developer	1	0
NRI Contract Monitor	1	0
NRI Assistant Grants Manager	1	0
Project Coordinator of Illinois Family Violence Coordinating Councils Program	1	0
Safety Net Works Administrative Manager	1	1
Safety Net Works Program Manager	1	1
Project Assistant	1	0
Special Projects Grant Manager	1	1
Assistant Special Projects Grant Manager	1	0
Special Projects Contract Monitor	1	1
Assistant Special Projects Fiscal/Contract Manager	1	1
Total average full-time employees (Fund 318)	12	5
TOTAL AGENCY	21	21

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
 COMPLIANCE EXAMINATION
BOARD MEMBERS (NOT EXAMINED)
 For the Period July 1, 2012 Through January 24, 2013

Mandated Board Members/Designees as of January 24, 2013

BOARD MEMBERS	AGENCY
Attorney General Lisa Madigan Wendy Cohen	Office of the Attorney General
Director Dr. LaMar Hasbrouck, MPH Jennifer Martin	Illinois Department of Public Health
Co-Chair Charles Jefferson	Youth Advisory Board
Secretary Michelle Saddler Assistant Director Dan Harris Associate Director Michael Holmes Associate Director Deyon Dean	Illinois Department of Human Services
Executive Director Jack Cutrone Adriana Perez	Illinois Criminal Justice Information Authority
Director Richard Calica Kimberly Mann, PhD, LCSW	Illinois Department of Children and Family Services
Director Hiram Grau Captain Luis Gutierrez	Illinois State Police
Director John Holton Bureau Chief Lois Moorman	Illinois Department on Aging
Director S.A. Godinez Assistant Director Gladyse Taylor Cherri Gass-Price	Illinois Department of Corrections
Superintendent Christopher Koch Elizabeth Hanselman Kelly Rauscher	Illinois State Board of Education
Crystal D. Cash, MD	Provident Hospital of Cook County
Vice President Karen Freel	Ounce of Prevention
Division Chair Kimberly Joseph, MD, FACS, FCCM	JHS Cook County Hospital

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
BOARD MEMBERS (NOT EXAMINED)
For the Period July 1, 2012 Through January 24, 2013

BOARD MEMBERS

AGENCY

Former Vice President Robert Kieckhefer	Blue Cross/Blue Shield of Illinois
Executive Director Sharon Canariato, MSN, MBA, RN	Illinois Organization of Nurse Leaders
President/CEO Teresa Garate, PhD	Neumann Family Services
Jace Shoemaker-Galloway	Internet Safety Educator
CEO Modesto Tico Valle	Center on Halsted
Executive Director Vickie Smith	Illinois Coalition Against Domestic Violence

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Period July 1, 2012 Through January 24, 2013

During Fiscal Year 2013, the Illinois Violence Prevention Authority (Authority):

- Targeted resources/programs to high risk groups, such as young children exposed to violence.
- Strengthened the capacity of violence prevention programs through technical assistance and program development.
- Promoted effective evaluation of violence prevention programs.
- Supported the work of Family Violence Coordinating Councils in all of the judicial circuits in Illinois.
- Continued to fund evaluation of the Cease Fire Program, which successfully reduced homicides and shootings in Chicago area communities.
- Engaged youth in violence prevention work in communities across Illinois through the Choose Respect program with the leadership and collaboration of the Authority's Youth Advisory Board.
- Continued to provide ongoing leadership and funding support for the Illinois Children's Mental Health Partnership.
- Completed grant close-out for the Safety Net Works and the Neighborhood Recovery Initiative Programs.
- Continued implementation of the Special Projects grants program.
- Assisted with the consolidation of IVPA into ICJIA.