

**STATE OF ILLINOIS
ILLINOIS BUILDING COMMISSION**

COMPLIANCE EXAMINATION

For the One Year Ended June 30, 2004

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ILLINOIS BUILDING COMMISSION
COMPLIANCE EXAMINATION

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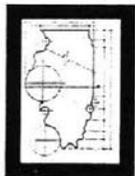
AGENCY OFFICIALS

ILLINOIS BUILDING COMMISSION

Commission Chairman (January 8, 2004 to June 30, 2004)	David Danley
Commission Chairman (July 1, 2003 to January 8, 2004)	Kenneth Crocco
Executive Director (September 24, 2003 to October 30, 2003) (March 1, 2004 to June 30, 2004) David Urbanek	
Office Administrator (July 1, 2003 to June 30, 2004)	Jerry B. Crabtree

The Illinois Building Commission Office is located at:

William G. Stratton Building
Room 360
Springfield, IL 62706



Board Members

Anthony R. Licata
Chairman

Joby H. Berman

Mark J. Ladd

Glyn Ramage

Michael Chin

December 30, 2004

Office of the Auditor General
Iles Park Plaza
740 East Ash
Springfield, Illinois 62703-3154

MANAGEMENT ASSERTION LETTER

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts or grants that could have a material effect on the operations of the Illinois Building Commission. We are responsible for, and we have established and maintained, an effective system of internal controls over compliance requirements. We have performed an evaluation of the agency's compliance with the following assertions during the one-year period ended June 30, 2004. Based on this evaluation, we assert that during the year ended June 30, 2004, the Illinois Building Commission has materially complied with the assertions below:

- A. The agency 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 agency 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 agency has complied, in all material respects, with applicable laws and regulations, including the state uniform accounting system, in its financial and fiscal operations.
- D. The state revenues and receipts collected by the agency are in accordance with applicable laws and regulations and the accounting and record-keeping of such revenues and receipts is fair, accurate and in accordance with law.

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401 South Spring Street
Third Floor
Springfield, Illinois
62706-4050

James R. Thompson Center
100 West Randolph Street
Suite 14-600
Chicago, Illinois 60601-3283

Dunn-Richmond Economic
Development Center
150 East Pleasant Hill Road
Suite 258
Carbondale, IL 62901

1222 Shooting Park Road
Suite 108
Peru, IL 61354

217.782.2864
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E. The money or negotiable securities or similar assets handled by the agency on behalf of the state or held in trust by the agency have been properly and legally administered and the accounting and record-keeping relating thereto is proper, accurate and in accordance with law.

Respectfully submitted,


ILLINOIS BUILDING COMMISSION

DAVID L. URBANEK
Former Executive Director
Manager
Division of Building Codes and Regulations
Capital Development Board



GUS BEHNKE
Administrator of the Office of Fiscal Management
Capital Development Board

COMPLIANCE REPORT

SUMMARY

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

AUDITORS' REPORTS

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or any other significant non-standard language.

SUMMARY OF FINDINGS

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

Details of the finding are presented in a separately tabbed report section.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
<u>Internal Controls</u>		
04-1	9	Inadequate controls over employee timekeeping

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

No Prior Year Findings

EXIT CONFERENCE

David Urbanek, Division Manager, Capital Development Board, Division of Building Codes and Regulations, declined a formal exit conference in correspondence dated April 4, 2005.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANTS' 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 Building Commission's (Commission) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the one year ended June 30, 2004. The management of the State of Illinois Building Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Building Commission's compliance based on our examination.

- A. The Commission has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Commission has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Commission on behalf of the State or held in trust by the Commission have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, 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 Commission's compliance with those requirements 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 Commission's compliance with specified requirements.

In our opinion, the Commission complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2004. However, the results of our procedures disclosed an instance of noncompliance with those 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 State findings as finding 04-1.

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

Internal Control

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the Commission's internal control over compliance with the aforementioned requirements in order to determine our examination procedures 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.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed one other matter involving internal control 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 State findings as finding 04-1.

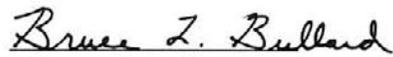
As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter.

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 as listed in the table of contents as Supplementary Information for State Compliance Purposes 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 2004 Supplementary Information for State Compliance Purposes, except for information on the Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2003 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.


Bruce L. Bullard, CPA
Compliance Director

December 30, 2004

04-1. **FINDING** (Inadequate controls over employee timekeeping)

The Illinois Building Commission (Commission) did not have adequate controls over employee timekeeping requirements.

The State Officials and Employees Ethics Act (5 ILCS 430/5-5) requires “State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour.” The time sheet requirement applied to State employees beginning no later than March 1, 2004.

The Commission did not prepare and maintain sufficient timekeeping documentation for the three State employees. The Commission maintained only a negative timekeeping system and did not document the employees actual time worked.

Commission management stated that they were unaware of the new statutory requirement.

Failure to maintain the required timekeeping records increases the potential that the State is paying for services that have not been performed. (Finding Code No. 04-1)

RECOMMENDATION

We recommend timesheets be periodically prepared and maintained for all employees as required by statute.

AGENCY RESPONSE

The agency accepts the finding, but points out that since the effective date of the State Officials and Employees Ethics Act, the official interpretation forwarded to state agencies by the Governor’s Office regarding which state employees must comply with the provisions of the Act has been fluid. Only in the first few months of 2005 has the latest policy been put into force requiring all state employees to submit time sheets as specified in the Act.

In any event, due to the merger of the Illinois Building Commission and the Capital Development Board on July 1, 2004, the agency now follows strictly all CDB personnel policies. The Capital Development Board has a policy in place requiring all employees to fill out and submit time sheets, as required by the Act.

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Financial 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
- Analysis of Significant Variations in Expenditures

- Analysis of Operations

- Agency Functions and Planning Program
- Average Number of Employees and Commission Members
- Service Efforts and Accomplishments (Not Examined)

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states we have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2004 Supplementary Information for State Compliance Purposes, except for information on Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information. We have not applied procedures to the 2003 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

STATE OF ILLINOIS
 ILLINOIS BUILDING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For The Fiscal Year Ended June 30, 2004

Public Act 93-73	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
Capital Development Fund -141					
Lump Sums	<u>\$ 290,000</u>	<u>\$ 275,704</u>	<u>\$ 4,260</u>	<u>\$ 279,964</u>	<u>\$ 10,036</u>

Note: The above information was taken directly from the State Comptroller records, which have been reconciled to those of the Illinois Building Commission.

STATE OF ILLINOIS
ILLINOIS BUILDING COMMISSION
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES**
For the Fiscal Years Ended June 30,

	2004	2003
General Revenue Fund - 001		P.A. 92-0538
Appropriations (Net of Transfers)	\$ -	\$ 361,200
<u>Expenditures</u>		
Lump Sums		\$ 248,028
Total Expenditures	\$ -	\$ 248,028
Lapsed Balances	\$ -	\$ 113,172
	2004	2003
Capital Development Fund - 141	P.A. 93-73	
Appropriations (Net of Transfers)	\$ 290,000	\$ -
<u>Expenditures</u>		
Lump Sums	\$ 279,964	\$ -
Total Expenditures	\$ 279,964	\$ -
Lapsed Balances	\$ 10,036	\$ -
GRAND TOTAL - ALL FUNDS	\$ 279,964	\$ 248,028

STATE OF ILLINOIS
ILLINOIS BUILDING COMMISSION
SCHEDULE OF CHANGES IN STATE PROPERTY
For the One Year Ended June 30, 2004

Balance at July 1, 2003	\$	69,904
Additions		0
Deletions		(10,918)
		<hr/>
Balance at June 30, 2004	\$	<u><u>58,986</u></u>

Notes: During FY04, the Commission's property was included in the Capital Development Board's property records. Those property records were reconciled to reports submitted to the State Comptroller as part of the Capital Development Board examination.

STATE OF ILLINOIS
 ILLINOIS BUILDING COMMISSION
COMPARATIVE SCHEDULE OF CASH RECEIPTS
 For the Fiscal Years Ended June 30,

Illinois Building Commission Revolving Fund - 628	2004	2003
Directory Fees	\$ 0	\$ 80
Total Cash Receipts	\$ 0	\$ 80

STATE OF ILLINOIS
ILLINOIS BUILDING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the One Year Ended June 30, 2004

Analysis of Significant Variations in Expenditures Between Fiscal Years 2003 and 2004

Appropriations for the Illinois Building Commission (Commission) were part of the appropriations for the Capital Development Board in Fiscal Year 2004.

General Revenue Fund (001)

Lump Sums

The Commission did not receive an appropriation for this fund in FY04.

Capital Development Fund (141)

Lump Sums

The Commission received a lump sum appropriation from the Capital Development Fund in FY04, rather than the General Revenue Fund.

STATE OF ILLINOIS
ILLINOIS BUILDING COMMISSION
ANALYSIS OF OPERATIONS

AGENCY FUNCTIONS AND PLANNING PROGRAM

Agency Functions

The Illinois Building Commission (Commission) was created through the authority of the Illinois Building Commission Act (20 ILCS 3918 *et seq.*), effective January 1, 1998. The Commission was an advisory Commission assigned the responsibility to assist in streamlining building requirements in Illinois. The Commission was primarily an informational resource to be used by the various building industry elements, the general public and various governmental units. Additionally, the Commission was required to resolve conflicting policy between State agencies and/or related entities, as well as suggest long term administrative improvements in an effort to expedite the building code/requirement process.

During fiscal year 2004 the Commission was comprised of eleven members appointed by the Governor with the advice and consent of the Senate and represented the building industry segments traditionally involved with State building requirements and processes. The Commission members at June 30, 2004 were:

- David C. Danley, Chair
- Gary A. Lichthardt, Vice Chair
- Robert W. Cusick, Secretary
- Bruce S. Bonczyk
- Kenneth C. Crocco
- Edward L. Christensen
- Bonnie B. Henry
- Robert L. Juris
- Roy H. Velde
- Steven F. Wydeveld

There was one vacancy as of June 30, 2004.

The Illinois Building Commission Act outlined statutory objectives that included:

- Establishing and appointing members and non-members to the following subcommittees: planning; building and fire protection; building envelope; structural systems; building services; and accessibility.
- Providing an ongoing forum for continuing a dialogue regarding the purpose and duties of the Commission. The Commission shall also serve as a forum to suggest resolution of conflicts concerning State building requirements between State agencies, or between a State

agency and another entity that consents to the resolution forum, concerning State building requirements.

- Reviewing proposed State building requirement amendments and proposed legislation for conflicting requirements to current State law or current building requirements and to make recommendations concerning those amendments or laws to the proper authority.
- Identifying proposed new or revised municipal (for municipalities with less than one million population) or county building codes on the State website.
- Suggesting a long-term plan to improve administration and enforcement of State building requirements statewide.
- Submitting an annual report to the Governor and General Assembly.

The Commission had established ten standing subcommittees along with Technical Advisory Group members to take action on issues relevant to their respective subcommittee subject areas and to make recommendations, when appropriate, to the full Commission for possible action. The structure of each subcommittee was comprised of the following representation: Commissioner/Chairperson, Architect, Contractor, Engineer, Industry, Labor, Building Official/Local Government, Public Sector, and State Government. The subcommittees were as follows:

- Accessibility – Relevant areas included compliance with the Illinois Accessibility Code (71 Ill. Adm. Code 400) and including, as required, the Federal Americans with Disabilities Act for reference purposes.
- Building Envelope – Relevant areas included performance and materials of the exterior envelope, which includes the exterior wall, exterior wall cladding, exterior openings, and roof assemblies. Performance of the exterior envelope includes energy efficiency, natural ventilation, solar transmission, sound transmission, weather protection, and fire protection of the exterior enclosure.
- Building and Fire Protection – Relevant areas included use of automatic sprinklers; use of fire resistant materials and construction; wall and ceiling finish; decorations and trim; automatic sprinkler systems; extinguishing systems; emergency escape; and rescue.
- Building Services – Relevant areas included components and systems of facilities including electrical, mechanical, plumbing, elevators and conveying systems.
- Communications – Relevant areas included addressing specific communication, education or identification aspects relative to building requirement issues and to assist the Commission as directed by the Chairman with administrative developments.
- Evaluation & Development – Relevant areas included reviewing and evaluating proposed and existing State agency codes and administrative rules governing the building industry

(building codes) and reviewing and evaluating the possibilities surrounding the development of various statewide building codes.

- Health Care Facilities – Relevant areas included those building requirements relative to health care facilities administered by the Illinois Department of Public Health and the Department of Human Services.
- Planning – Relevant areas included any issues relating to applicability of codes, permit issues, construction documentation requirements, fees and inspections, and appeal procedures.
- School Facilities – Relevant areas included those building requirements relative to “school facilities” as administered by the Illinois State Board of Education and the Illinois Board of Higher Education.
- Structural Systems – Relevant areas included structural design of buildings, structures and portions of building and structures, including all load combination and seismic loading; investigation of load bearing values, footings and foundations dampproofing and waterproofing and deep foundations.

Agency Planning Program

The Commission’s mandate required various subcommittees be created. These subcommittees were charged with planning for their respective area. The Commission formally adopted a comprehensive, long-term strategic plan in September 2003. The plan covered the implementation components of the Commission through 2006.

Executive Order #5

The Governor’s Executive Order Number 5 (2004) ordered the transfer of the powers, duties, rights, and responsibilities of the Commission to the Capital Development Board, effective July 1, 2004. On July 1, 2004 the Illinois Building Commission became the Capital Development Board’s Division of Building Codes and Regulations.

Auditor’s Assessment

The Commission’s planning program appeared adequate to meet its statutorily mandated responsibilities.

STATE OF ILLINOIS
ILLINOIS BUILDING COMMISSION
ANALYSIS OF OPERATIONS

AVERAGE NUMBER OF EMPLOYEES AND COMMISSION MEMBERS

The following table, prepared from Commission records, presents the average number of employees and the average number of Commission members for the Fiscal Years ended June 30, 2004 and June 30, 2003.

<u>Fiscal Year</u>	<u>Employees</u>	<u>Commission Members</u>
2004	2.5	10
2003	2	11

In addition, there was an intern who was a contractual employee during FY04.

SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)

The Illinois Building Commission developed and implemented a website to provide informational resources to the construction industry, local governments, State agencies, and the general public. The website was fully operational and accessible twenty-four hours a day.

In July 2003, the Commission provided a revised publication of the Directory of Illinois Building Related Requirements (Directory). The directory provides a reference to the administrative rules administered by the 30 State agencies. The Directory provides information pertaining to 30 State agencies and identified 250 statutory requirements that govern construction. The Directory is available in print and electronic format.

Through the use of several different sources, the Commission identified the rule activity of other agencies in the development of construction requirements.

In 2002, Senate Bill 754 was passed by the General Assembly and signed into law by the Governor (Public Act 92-489). The Act required municipalities with a population of less than 1,000,000 or a county 30 days before adopting a code requirement or amending an existing code requirement to notify the Commission. The Commission was required to post the proposed code or proposed amendment by title and edition on the Commission's website. The Commission has implemented a detailed procedure and compliance form designed to assist municipalities. The procedure and form were made available in electronic format on the Commission's website.

The Commission, upon request by the General Assembly collectively or by an individual member, provided facilitation assistance for legislative or regulatory issues that required further study or consideration by the effected industry.

The Commission also assisted the industry with several rulemakings from simple notification to the impacted industry represented or in response to public inquiries. The Commission's website was an additional method of providing regulatory information to the impacted public.

In Fiscal Year 2004, the Commission continued the development of a database that would provide building code reference information for all 102 counties and 1,286 municipalities in Illinois. Through the use of surveys, the Commission provided requestors through the website, e-mail, and telephone inquires information to contact their local county or municipal building department.

In Fiscal Year 2004, the Commission worked with various construction industry groups to keep them informed of services available.