



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS COMMERCE COMMISSION

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

Release Date: August 9, 2012

Summary of Findings:

| | |
|----------------------------------|----------|
| Total this audit: | 7 |
| Total last audit: | 3 |
| Repeated from last audit: | 2 |

SYNOPSIS

- The Commission's practice of posting personal information from consumers on its website led to the exposure of such information.
- The Commission did not exercise adequate controls over employee time to ensure accuracy of termination pay and time records and to ensure employees worked scheduled hours.
- The Commission reported inaccurate federal grant award information on a financial reporting form submitted to the Illinois Office of the State Comptroller.

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

**ILLINOIS COMMERCE COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2011**

| EXPENDITURE STATISTICS | 2011 | 2010 | 2009 |
|---|-----------------------|-----------------------|-----------------------|
| Total Expenditures..... | \$ 100,628,235 | \$ 119,576,639 | \$ 105,109,203 |
| OPERATIONS TOTAL..... | \$ 34,342,831 | \$ 34,685,447 | \$ 38,652,089 |
| % of Total Expenditures..... | 34.1% | 29.0% | 36.8% |
| Personal Services..... | 18,843,358 | 20,213,021 | 19,558,883 |
| Other Payroll Costs (FICA, Retirement)..... | 10,659,299 | 11,145,047 | 9,478,990 |
| All Other Operating Expenditures..... | 4,840,174 | 3,327,379 | 9,614,216 |
| AWARDS AND GRANTS..... | \$ 66,277,742 | \$ 84,878,280 | \$ 66,439,892 |
| % of Total Expenditures..... | 65.9% | 71.0% | 63.2% |
| REFUNDS..... | \$ 7,662 | \$ 12,912 | \$ 17,222 |
| % of Total Expenditures..... | 0.0% | 0.0% | 0.0% |
| Total Receipts (In Thousands)..... | \$ 109,331 | \$ 93,442 | \$ 106,052 |
| Average Number of Employees..... | 268 | 272 | 275 |

| SELECTED ACTIVITY MEASURES | 2011 | 2010 | 2009 |
|---|-------------|-------------|-------------|
| Public Utility Program: | | | |
| Cases Filed (Not examined)..... | 828 | 751 | 570 |
| Cases Resolved (Not examined)..... | 806 | 697 | 614 |
| Transportation Regulatory Program: | | | |
| Investigations (Not examined)..... | 2,103 | 1,947 | 1,740 |
| Track Inspections (In miles) (Not examined) | 8,265 | 6,622 | 7,033 |

| COMMISSION DIRECTOR | |
|----------------------------|---------------------|
| During Examination Period: | Mr. Tim Anderson |
| Currently: | Mr. Jonathan Feipel |

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**PERSONAL CONFIDENTIAL INFORMATION
POSTED ON WEBSITE**

The Commission's e-Docket system contained personal information from consumers relating to formal complaints with regulated utilities and other entities.

Personal information posted on website

We accessed the e-Docket system on the World Wide Web and identified a significant amount of unprotected personal confidential information. What we found included name and address, social security number, driver's license number, credit history and medical information.

Commission took corrective action

After notification, the Commission developed a comprehensive action plan to minimize the exposure risk of e-Docket privacy information in October 2011. In addition, in November 2011 the Commission notified individuals whose confidential personal information had been posted on the e-Docket system. (Finding 11-1, pages 11-13)

We recommended the Commission continue implementing its plan to ensure personal confidential information submitted by consumers is not posted on the World Wide Web.

Commission is implementing recommendation

Commission officials responded they have implemented numerous controls to protect privacy information.

**NEED TO IMPROVE CONTROLS OVER
EMPLOYEE TIME**

The Commission did not exercise adequate controls over employee time. We noted the following:

Two employees overpaid \$2,321

- Two of 8 (25%) former employees tested received final pay in excess of amounts earned before separation from the Commission. The cumulative overpayment totaled \$2,321.

Work schedules were not followed

- Three of 40 (8%) employees tested did not work their scheduled work hours or submit required documentation for the deviations to supervisors and timekeepers.

Leave time did not agree to records

- Leave records for 4 of 40 (10%) employees tested differed from timekeeping records. (Finding 2, pages 14-15)

We recommended staff verify accuracy of final compensation pay and seek reimbursement of overpayments. In addition, we recommended the Commission ensure employees work scheduled hours and follow up on discrepancies. Finally, we recommended staff verify employee leave time agrees with timekeeping records.

Commission pursuing recovery of overpayments

Commission officials stated they are working to collect overpayments and will continue corrective actions to address the exceptions noted.

INACCURATE FEDERAL AWARD INFORMATION PROVIDED ON GRANT ANALYSIS

The Commission reported inaccurate federal grant award information on a financial reporting form submitted to the Illinois Office of the State Comptroller for fiscal year 2011. We noted:

Federal grants were reported under the wrong program

- Four of 8 (50%) grant agreements, with expenditures totaling approximately \$544,000, were reported under incorrect federal grant program (CFDA) numbers.

Receipts were overstated

- Receipts received for one grant were overstated by \$108,627. (Finding 3, pages 16-17)

We recommended the Commission strengthen its controls over financial reporting to ensure all required information is properly reported.

Commission stated controls will be strengthened

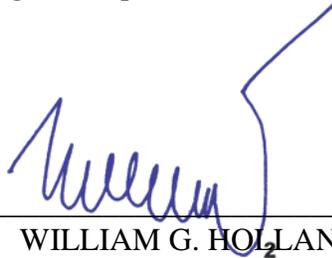
Commission officials stated internal controls will be strengthened through a formal review process.

OTHER FINDINGS

The remaining findings are reportedly being given attention by the Commission. We will review the Commission's progress toward implementing all recommendations in our next examination.

AUDITORS' OPINION

We conducted a compliance examination of the Illinois Commerce Commission as required by the Illinois State Auditing Act. The Commission has no funds that require an audit leading to an opinion of financial statements



WILLIAM G. HOLLAND
- Auditor General

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AUDITORS ASSIGNED

The examination was performed by the Office of the Auditor General's staff.