

STATE OF ILLINOIS  
**JUDICIAL INQUIRY BOARD**  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2012

STATE OF ILLINOIS  
**JUDICIAL INQUIRY BOARD**  
 COMPLIANCE EXAMINATION  
 For the Two Years Ended June 30, 2012

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**JUDICIAL INQUIRY BOARD**  
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**AGENCY OFFICIALS**

Chair of the Board	Honorable Judge Donald C. Hudson
Executive Director and General Counsel	Ms. Kathy D. Twine, Esq.
Administrative Assistant	Mr. Vincent Phillip

**BOARD MEMBERS**

Circuit Court Judge <sup>1</sup>	Honorable Judge Donald C. Hudson
Circuit Court Judge <sup>1</sup> (12/01/10 to Present)	Honorable Judge Edward Washington II
Circuit Court Judge <sup>1</sup> (11/01/10 to 11/30/10)	Vacant
Circuit Court Judge <sup>1</sup> (07/01/10 to 10/31/10)	Honorable Judge Cheryl A. Starcks
Lawyer <sup>2</sup>	Mr. Cary J. Collins
Lawyer <sup>2</sup> (07/29/11 to Present)	Mr. Tom Leahy
Lawyer <sup>2</sup> (05/08/11 to 07/28/11)	Vacant
Lawyer <sup>2</sup> (07/01/10 to 05/07/11)	Mr. Tom Leahy
Lawyer <sup>2</sup>	Mr. Bruce L. Meckler
Non-Lawyer <sup>2</sup> (08/10/10 to Present)	Ms. Clem Mejia
Non-Lawyer <sup>2</sup> (07/01/10 to 08/09/10)	Vacant
Non-Lawyer <sup>2</sup> (08/10/10 to Present)	Ms. Gloria Morningstar
Non-Lawyer <sup>2</sup> (07/01/10 to 08/09/10)	Vacant
Non-Lawyer <sup>2</sup> (08/11/10 to Present)	Vacant
Non-Lawyer <sup>2</sup> (07/01/10 to 08/10/10)	Mr. John Kreisler
Non-Lawyer <sup>2</sup> (04/12/12 to Present)	Vacant
Non-Lawyer <sup>2</sup> (07/01/10 to 04/11/12)	Ms. Patricia Costello

<sup>1</sup>The Supreme Court appoints two Circuit Court judges.

<sup>2</sup>The Governor appoints three lawyers and four non-lawyers.

Board offices are located at:

James R. Thompson Center  
100 W. Randolph Street, Suite 14-500  
Chicago, Illinois 60601

Honorable Donald C. Hudson  
*Chair*

Attorney Cary J. Collins  
*Vice Chair*

Attorney Tom Leahy  
Attorney Bruce R. Meckler  
Clem Mejia  
Gloria Morningstar  
Honorable Edward Washington, II



STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD

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*General Counsel*

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STATE COMPLIANCE EXAMINATION

MANAGEMENT ASSERTION LETTER

May 7, 2013

Honorable William G. Holland  
Auditor General  
State of Illinois  
740 East Ash Street  
Springfield, Illinois 62703-3154

Dear Mr. Holland:

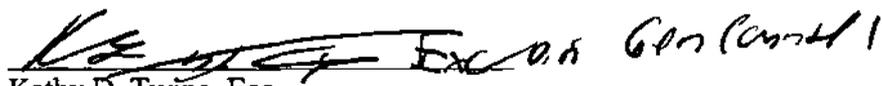
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Judicial Inquiry Board. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the State of Illinois, Judicial Inquiry Board's compliance with the following assertions during the two-year period ended June 30, 2012. Based on this evaluation, we assert that during the years ended June 30, 2011 and June 30, 2012, the State of Illinois, Judicial Inquiry Board has materially complied with the assertions below.

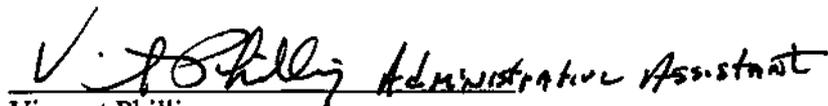
- A. The State of Illinois, Judicial Inquiry Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Judicial Inquiry Board has obligated, expended, 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, Judicial Inquiry Board 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, Judicial Inquiry Board 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 State of Illinois, Judicial Inquiry Board on behalf of the State or held in trust by the State of Illinois, Judicial Inquiry Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours very truly,

State of Illinois, Judicial Inquiry Board

  
Kathy D. Twine, Esq.,  
Executive Director and General Counsel

  
Vincent Phillip,  
Administrative Assistant

STATE OF ILLINOIS  
**JUDICIAL INQUIRY BOARD**  
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**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.

**ACCOUNTANTS' REPORT**

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 other significant non-standard language.

**SUMMARY OF FINDINGS**

<u>Number of Findings</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	5	2
Repeated findings	2	1
Prior recommendations implemented or not repeated	0	0

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
12-1	9	Noncompliance with the Illinois Governmental Ethics Act	Noncompliance and Significant Deficiency
12-2	10	Inadequate Internal Controls over Equipment	Noncompliance and Significant Deficiency
12-3	14	Inadequate Internal Control over Personal Services	Noncompliance and Significant Deficiency
12-4	15	Inadequate Internal Control over Expenditures	Noncompliance and Significant Deficiency

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<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
12-5	18	Lack of Required Board Members	Noncompliance

PRIOR FINDINGS NOT REPEATED

The Board did not have any prior findings not repeated.

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Board personnel at an exit conference on May 3, 2013. Attending were:

Judicial Inquiry Board

Kathy D. Twine, Esq. – Executive Director and General Counsel  
Vincent Phillip – Administrative Assistant

Office of the Auditor General

Daniel J. Nugent, CPA – Audit Manager  
Julianne C. Rauch – State Auditor

Responses to the recommendations were provided by Ms. Kathy Twine in a letter dated May 7, 2013.

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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, Judicial Inquiry Board'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, during the two years ended June 30, 2012. The management of the State of Illinois, Judicial Inquiry Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Judicial Inquiry Board's compliance based on our examination.

- A. The State of Illinois, Judicial Inquiry Board 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, Judicial Inquiry Board 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, Judicial Inquiry Board 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, Judicial Inquiry Board 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 State of Illinois, Judicial Inquiry Board on behalf of the State or held in trust by the State of Illinois, Judicial Inquiry Board 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 State of Illinois, Judicial Inquiry Board'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, Judicial Inquiry Board's compliance with specified requirements.

In our opinion, the State of Illinois, Judicial Inquiry Board complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2012. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 12-1 through 12-5.

### **Internal Control**

Management of the State of Illinois, Judicial Inquiry Board 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, Judicial Inquiry Board's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Judicial Inquiry Board's internal control over compliance.

*A deficiency in an entity's 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we

consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying schedule of findings as items 12-1 through 12-4. 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.

Additionally, the results of our procedures disclosed other matters involving internal control over compliance, which are required to be reported in accordance with criteria established by the Audit Guide issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as item 12-5.

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

The State of Illinois, Judicial Inquiry Board'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, Judicial Inquiry Board's responses and, accordingly, we express no opinion on the responses.

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 years ended June 30, 2012 and June 30, 2011 in Schedules 1 through 8 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 June 30, 2012 and June 30, 2011 accompanying supplementary information in Schedules 1 through 8. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2010 accompanying supplementary information in Schedules 3 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, Judicial Inquiry Board's membership and management, 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

May 7, 2013

STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

12-1. **FINDING** (Noncompliance with the Illinois Governmental Ethics Act)

The Judicial Inquiry Board (Board) did not notify the Secretary of State of a Board member whose position required them to file a statement of economic interest.

During testing, the auditors noted a Board member was omitted from the list of individuals required to file a statement of economic interest and, therefore, did not file the required economic interest statement for Fiscal Year 2011 with the Secretary of State.

The Illinois Governmental Ethics Act (Act) (5 ILCS 420/4A-101(c)) requires all members of boards created by the State Constitution file a statement of economic interests with the Secretary of State. The Act (5 ILCS 420/4A-105) requires each Board member's statement of economic interests to be filed by May 1 of each year. In addition, the Act (5 ILCS 420/4A-106) requires the Board's Executive Director, on or before February 1 annually, certify to the Secretary of State the names and mailing addresses of those persons required to file an economic interest statement.

Board officials stated they inadvertently omitted the Board member from the annual certification due to oversight.

Failure to notify the Secretary of State of all Board members required to file statements of economic interest led to a Board member not filing the required statement, which represents noncompliance with the Illinois Governmental Ethics Act. (Finding Code No. 12-1)

**RECOMMENDATION**

We recommend the Board notify the Secretary of State of all individuals required to file a statement of economic interests, as required by State law.

**BOARD RESPONSE**

*Finding:* Agree.

*Recommendation:* Agree. Proper notification was forwarded to the Secretary of State for all individuals required to file a statement of economic interests for 2012 and 2013.

STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

12-2. **FINDING** (Inadequate Internal Controls over Equipment)

The Judicial Inquiry Board (Board) did not maintain sufficient internal controls over the acquisition, recording, and reporting of State-owned equipment.

During testing, the auditors noted the following:

- Four of the eight (50%) vouchers charged to the Board's Fiscal Year 2012 equipment appropriation, totaling \$192, were for purchases of equipment items valued at under \$100. These vouchers should have been charged against the Board's Fiscal Year 2012 commodities appropriation.

The State Finance Act (30 ILCS 105/20) defines "equipment," when used in an appropriation act, to mean all expenditures having a unit value exceeding \$100 for the acquisition of property of a non-consumable nature. Further, the State Finance Act (30 ILCS 105/15b) defines "commodities," when used in an appropriation act, to mean all expenditures for the purchase of items with a consumable nature or having a unit value not exceeding \$100 for the acquisition of property of a non-consumable nature.

- Eight of eight (100%) Agency Report of State Property (Form C-15) reports filed with the Office of the State Comptroller contained several inaccuracies and discrepancies, including:
  - The Board did not record an addition of a shredder, valued at \$2,322.
  - The Board understated additions by \$139 through improperly subtracting a credit unrelated to the purchase of six filing cabinets, valued at \$5,483.
  - The Board improperly reported inter-agency transfers of surplus property to the Department of Central Management Services as deletions and not transfers, totaling \$7,908.
  - The Board did not have documentation to support inventory deletions, totaling \$6,580.

The Statewide Accounting Management System (SAMS), Procedure 29.20.10, requires the Board report all additions, deletions, and transfers-in(out) by asset category occurring within the quarter being reported to the Office of the State Comptroller on the Form C-15.

- For five of eight (63%) quarters, the Board's property listing – the primary supporting documentation for preparing the Form C-15 – was not added correctly, resulting in over(under) reporting errors between (\$206) to \$8,726.
- The Board improperly recorded four equipment items valued at less than \$100 in the Board's property listing, totaling \$192.

STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

- In October 2012, the Board filed an amended Form C-15 to correct the errors noted above and ensure the valuation of items reported on the Board's property listing at June 30, 2012 agreed to the amount reported as the amount per agency records at June 30, 2012 on the Board's amended Form C-15. As a result, the Board reported a net deletion of \$1,946 to correct prior reporting errors.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board establish and maintain internal fiscal and administrative controls to provide assurance resources applicable to operations 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.

- In August 2011, the Board received five printers, valued at \$1,159, and recorded the addition amount correctly net of a discount of \$16 on the Form C-15, but improperly recorded the equipment on the Board's property listing at an amount without the discount. In June 2012, the Board recorded an equipment deletion, totaling \$16, to adjust the amount previously shown correctly on the Form C-15 to match the Board's incorrectly reported property listing.

SAMS, Procedure 29.10.10, requires the Board maintain detailed records indicating the cost of each equipment item.

- For three of eight (38%) quarters, the Board's ending balance reported on the previous quarter's Form C-15 did not agree to the current quarter's beginning balance, resulting in (under)reporting errors between (\$15) to (\$16).

SAMS, Procedure 29.20.10, requires the Board report the prior quarter's ending balance as the current quarter's beginning balance on the Form C-15.

- The Board improperly recorded a subscription for an annual directory with a limited lifespan, totaling \$270, as an equipment item.

The Illinois Administrative Code (44 Ill. Admin. Code 5010.200(a)) defines equipment as "tangible personal property of a non-consumable nature."

- Two of 20 (10%) equipment items located on Board premises tested were not properly tagged or recorded in the Board's property records.

STATE OF ILLINOIS  
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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.210(a)) requires the Board mark each piece of State-owned equipment in their possession with a unique six digit identification number. Further, the Code (44 Ill. Admin. Code 5010.210(e)(2)) requires all equipment, regardless of value, be clearly marked to indicate it is the property of the State of Illinois.

- One of 20 (5%) equipment items located on Board premises tested was a fax machine, valued at \$530, that Board officials were uncertain was operable and had not been recently used by the Board.

SAMS, Procedure 29.10.10, requires the Board identify equipment items that are obsolete, damaged, or no longer used in operations and properly remove the items from the Board's property records. The Illinois Administrative Code (44 Ill. Admin. Code 5010.610) requires the Board obtain the approval of the Department of Central Management Services to scrap equipment that is no longer serviceable.

- One of 20 (5%) equipment items located on Board premises tested was not found in the location recorded on the Board's property listing.

SAMS, Procedure 29.10.10, requires the Board maintain detailed records indicating the location of each equipment item.

The State Property Control Act (30 ILCS 605/4) requires every responsible officer of State government be accountable for the supervision, control, and inventory of all items under their jurisdiction.

Board officials stated the noted deficiencies were due to oversight.

Failure to expend appropriations for the specific purposes as specified by the General Assembly violates the appropriation process and limits legislative control. Further, failure to maintain accurate property records and submit accurate information to the State Comptroller reduces the overall reliability of Statewide fixed asset information. (Finding Code No. 12-2, 10-2)

**RECOMMENDATION**

We recommend the Board ensure equipment purchases are charged against the correct appropriation in accordance with the State Finance Act. Further, the Board should comply with applicable laws, rules, and regulations governing equipment to accurately record and report equipment transactions.

STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

**BOARD RESPONSE**

*Finding:* Agree.

*Recommendation:* Agree – The noted deficiencies have/will be addressed.

STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

12-3. **FINDING** (Inadequate Internal Control over Personal Services)

The Judicial Inquiry Board (Board) did not exercise adequate internal control over personal services expenditures. During Fiscal Year 2011 and Fiscal Year 2012, the Board expended \$678,401 on personal services.

During testing, the auditors noted six of seven (86%) Board employees during the examination period did not have documentation to support the employee's gross salary and/or pay increases occurring during the examination period. After notification from the auditors, the Board generated documentation for retention within each employee's personnel file.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board establish and maintain internal fiscal and administrative controls to provide assurance State funds are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls over compliance include ensuring documentation supporting any payroll adjustments are properly approved and retained within an employee's personnel file.

Board officials stated the exceptions were due to oversight.

Failure to ensure documentation supporting payroll adjustments is properly approved and retained within each employee's personnel file may result in unauthorized pay changes and does not create sufficient audit trails for accountability purposes. (Finding Code No. 12-3)

**RECOMMENDATION**

We recommend the Board maintain adequate documentation to support payroll adjustments.

**BOARD RESPONSE**

*Finding:* Agree. (Note: Payroll adjustments were approved by the Board; and State funds were not wasted, lost, used in an unauthorized manner or misappropriated.)

*Recommendation:* Agree – Appropriate documentation to support payroll adjustments will be maintained in each employee's personal file.

STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

12-4. **FINDING** (Inadequate Internal Control over Expenditures)

The Judicial Inquiry Board (Board) did not establish and maintain effective internal controls over expenditures.

During testing, the auditors noted the following:

- The Board did not have an adequate process to identify and pay interest penalties in accordance with the State Prompt Payment Act (30 ILCS 540/3-2). The auditors noted the following exceptions:
  - At the conclusion of Fiscal Year 2012, the auditors inquired with Board staff concerning any outstanding and unpaid prompt payment interest. After the Board had the Department of Central Management Services run a query in the Accounting Information System, the system report identified six unpaid prompt payment interest vouchers, totaling \$1,899.
  - The Board was unable to provide documentation of any outstanding and unpaid prompt payment interest liabilities for Fiscal Year 2011.
  - During voucher testing, the auditors noted three of 84 (4%) vouchers tested, totaling \$48,161, had unpaid prompt payment interest, totaling \$1,131. Two of these vouchers were for Fiscal Year 2011 invoices and one voucher was for a Fiscal Year 2012 invoice.

The State Prompt Payment Act (30 ILCS 540/3-2) requires the Board determine and pay interest penalty liabilities where a vendor's invoice was not promptly paid by the State Comptroller from funds within the State Treasury.

- The Board's staff needs additional training to effectively utilize Department of Central Management Service's Accounting Information System, which serves as the Board's voucher processing system. During our review, we noted the Board's staff was unable to identify all unpaid prompt payment interest vouchers or generate system inquiries and reports due to the Board's limited experience with the operational functions of Accounting Information System.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds applicable to operations are properly recorded and accounted for to maintain accountability over the State's resources. Good internal controls over compliance include ensuring employees using computerized systems have sufficient training on effectively and efficiently operating the system.

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**SCHEDULE OF FINDINGS**  
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- The Board's expenditure records did not agree with and were not reconciled by the Board to the State Comptroller's Monthly Appropriations Status Report (SB01) from September 2011 through January 2012 during the extended Lapse Period for Fiscal Year 2011, as allowed for by the State Finance Act (30 ILCS 105/25(b-2.5)) and the State Comptroller's Accounting Bulletin #170.

The Statewide Accounting Management System (SAMS), Procedure 11.40.20, states the Board should conduct timely reconciliations of the Board's expenditure records to the SB01 to detect and correct any errors. In the event of a discrepancy, the Board is required to file a Reconciliation Exception Notification with the Office of the State Comptroller.

Board officials stated that the unrecorded amounts were due to employee oversight.

Failure to identify and pay prompt payment interest liabilities represents noncompliance with the State Prompt Payment Act. Further, failure to obtain sufficient training on AIS resulted in employees not fully utilizing the capabilities of the computerized system. In addition, failure to perform expenditure reconciliations may result in the untimely detection and correction of voucher processing errors within the Board's records and the State Comptroller's central accounting records. (Finding Code No. 12-4)

**RECOMMENDATION**

We recommend the Board implement controls to comply with the State Prompt Payment Act and SAMS. In addition, the Board should ensure employees obtain sufficient training to perform duties efficiently and effectively.

**BOARD RESPONSE**

*Finding:* **(Fiscal Year 2012, Re: Prompt payment interest):** Agree.

*Finding:* **(Fiscal Year 2011, Re: Inability to provide documentation of any outstanding and unpaid prompt payment interest liabilities):** Disagree. The Board's Administrative Assistant provided the Auditor with a *Schedule* and various *Vouchers* indicating paid prompt payments to vendors. During testing, the Auditor did not indicate any prompt payments were unpaid or outstanding.

*Finding:* **(Additional Training):** Agree that additional training would be helpful.

*Finding:* **(Reconciliation during the extended lapse period):** Agree.

*Recommendation:* Agree – If and when available, staff will take advantage of any training offered by CMS that is relevant to AIS.

STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
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For the Two Years Ended June 30, 2012

**AUDITORS' COMMENT**

Contrary to the Board's response, the auditors noted two Fiscal Year 2011 invoices in the finding above where the Board did not pay incurred prompt payment interest liabilities.

STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

12-5. **FINDING** (Lack of Required Board Members)

The Judicial Inquiry Board (Board) was not composed of nine members as required by the Constitution of the State of Illinois.

During testing, the auditors noted two of four (50%) non-lawyer Board positions were vacant. These seats were vacated 81 and 630 days prior to June 30, 2012.

The Constitution of the State of Illinois (Article VI, Section 15(b)) states the Board shall be comprised of two Circuit Judges selected by the Supreme Court and three lawyers and four non-lawyers appointed by the Governor. The terms of the Board members shall be four years, with a vacancy on the Board filled for a full term in the manner the original appointment was made.

Board officials stated the appointment of members to the Board is solely within the jurisdiction of the Governor and the Supreme Court. Although the Board has no authority concerning the appointment of Board members, the Board's Executive Director and certain Board members have communicated with personnel from the Governor's Office regarding the Board's need for appointment of non-judicial members.

Board member vacancies impair the Board's ability to properly formulate the function of the Board, as a full Board is necessary to properly conduct meetings and operate effectively and efficiently. (Finding Code No. 12-5, 10-1, 08-1)

**RECOMMENDATION**

We recommend the Board continue to work with the Governor to ensure the Board's vacancies are filled in a timely manner as required by the Constitution.

**BOARD RESPONSE**

*Finding:* Agree.

*Recommendation:* Agree. The Board will continue to make efforts to communicate with Governor regarding the need for appointments; however, as indicated above, the filling of vacancies exceeds the Board's authority.

STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
**PRIOR FINDINGS NOT REPEATED**  
For the Two Years Ended June 30, 2012

The Board did not have any prior findings not repeated during the current examination.

STATE OF ILLINOIS  
**JUDICIAL INQUIRY BOARD**  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2012

**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 – Fiscal Year 2012
  - Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2011
  - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
  - Schedule of Changes in State Property
  - Comparative Schedule of Cash Receipts and 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 Significant Lapse Period Spending
  
- Analysis of Operations (Not Examined):
  - Agency Functions and Planning Program (Not Examined)
  - Average Number of Employees (Not Examined)
  - Service Efforts and Accomplishments (Not Examined)

The accountants' 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 June 30, 2012 and June 30, 2011 in Schedules 1 through 8. However, the accountants do not express an opinion on the supplementary information. The accountants' 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  
 JUDICIAL INQUIRY BOARD  
 COMPLIANCE EXAMINATION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
 For the Fiscal Year Ended June 30, 2012

**SCHEDULE 1**

Public Act 97-0063	Appropriations		Approximate Lapse Period Expenditures	Approximate Total Expenditures	Approximate Balances
FISCAL YEAR 2012	(Net of Transfers)	Expenditures Through June 30	July 1 to August 31	14 Months Ended August 31	Lapsed August 31
General Revenue Fund - 001					
Personal Services	\$ 320,800	\$ 304,452	\$ 0	\$ 304,452	\$ 16,348
Employee Retirement					
Contributions Paid by Employer	12,200	11,700	79	11,779	421
State Contributions to Social Security	23,300	21,584	0	21,584	1,716
Contractual Services	315,000	197,793	32,314	230,107	84,893
Travel	12,000	1,796	0	1,796	10,204
Commodities	3,000	2,778	0	2,778	222
Printing	3,500	1,179	0	1,179	2,321
Equipment	7,400	6,821	0	6,821	579
Telecommunications	7,500	3,841	351	4,192	3,308
Operation of Automotive Equipment	4,500	2,809	1,316	4,125	375
<b>Total Fiscal Year 2012</b>	<b>\$ 709,200</b>	<b>\$ 554,753</b>	<b>\$ 34,060</b>	<b>\$ 588,813</b>	<b>\$ 120,387</b>

Note 1: The data in this schedule was taken directly from the State Comptroller's records and reconciled to the Board's records.

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

Note 3: Approximate Lapse Period expenditures do not include interest payments approved for payment by the Board and submitted to the State Comptroller for payment through August 31, 2012.

STATE OF ILLINOIS  
 JUDICIAL INQUIRY BOARD  
 COMPLIANCE EXAMINATION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
 For the Fiscal Year Ended June 30, 2011

**SCHEDULE 2**

Public Act 96-0956	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to December 31	Total Expenditures 18 Months Ended December 31	Balances Lapsed December 31
<b>FISCAL YEAR 2011</b>					
General Revenue Fund - 001					
Operational Expenses - Lump Sums	\$ 713,500	\$ 625,364	\$ 24,531	\$ 649,895	\$ 63,605
Total Fiscal Year 2011	<u>\$ 713,500</u>	<u>\$ 625,364</u>	<u>\$ 24,531</u>	<u>\$ 649,895</u>	<u>\$ 63,605</u>

Note 1: The data in this schedule was taken directly from the State Comptroller's records and reconciled to the Board's records.

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

STATE OF ILLINOIS  
 JUDICIAL INQUIRY BOARD  
 COMPLIANCE EXAMINATION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
 EXPENDITURES, AND LAPSED BALANCES**  
 For the Fiscal Year Ended June 30,

**SCHEDULE 3**

	Fiscal Year		
	2012	2011	2010
General Revenue Fund - 001	P.A. 97-0063	P.A. 96-0956	P.A. 96-0042
<hr/>			
Appropriations (Net of Transfers)	\$ 709,200	\$ 713,500	\$ 713,500
<hr/>			
<u>Expenditures</u>			
Personal Services	\$ 304,452	\$ 0	\$ 306,590
Employee Retirement			
Contributions Paid by Employer	11,779	0	0
State Contributions to Social Security	21,584	0	22,090
Contractual Services	230,107	0	0
Travel	1,796	0	0
Commodities	2,778	0	0
Printing	1,179	0	0
Equipment	6,821	0	0
Telecommunications	4,192	0	0
Operation of Automotive Equipment	4,125	0	0
Operational Expenses - Lump Sums	0	649,895	283,315
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 588,813	\$ 649,895	\$ 611,995
	<hr/>	<hr/>	<hr/>
Lapsed Balances	\$ 120,387	\$ 63,605	\$ 101,505
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Note 1: The Total Expenditures and Lapsed Balances for Fiscal Year 2010 and Fiscal Year 2012 do not reflect interest payments approved by the Board and submitted to the State Comptroller for payment after August 31.

STATE OF ILLINOIS  
 JUDICIAL INQUIRY BOARD  
 COMPLIANCE EXAMINATION  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
 For the Two Years Ended June 30, 2012

**SCHEDULE 4**

		Equipment
Balance at July 1, 2010	\$	78,047
Additions		13,871
Deletions		(12,968)
Balance, June 30, 2011	\$	78,950
Balance at July 1, 2011	\$	78,950
Additions		6,970
Deletions		(6,620)
Balance, June 30, 2012	\$	79,300

This schedule has been derived from Board records, which were reconciled to property reports submitted to the Office of the State Comptroller.

STATE OF ILLINOIS  
 JUDICIAL INQUIRY BOARD  
 COMPLIANCE EXAMINATION  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION OF  
 CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
 For the Fiscal Year Ended June 30,

	Fiscal Year		
	2012	2011	2010
<u>General Revenue Fund - 001</u>			
Reimbursement for Jury Duty	\$ 0	\$ 17	\$ 0
Miscellaneous	<u>325</u>	<u>228</u>	<u>0</u>
Total Receipts	<u>\$ 325</u>	<u>\$ 245</u>	<u>\$ 0</u>
Add: Deposits in Transit, Beginning of Year	0	0	0
Subtract: Deposits in Transit, End of Year	<u>0</u>	<u>0</u>	<u>0</u>
Total Receipts	<u><u>\$ 325</u></u>	<u><u>\$ 245</u></u>	<u><u>\$ 0</u></u>

STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
COMPLIANCE EXAMINATION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2012

**SCHEDULE 6**

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012**

Personal Services, Employee Retirement Contributions Paid by Employer, State Contributions to Social Security, Contractual Services, Travel, Commodities, Printing, Equipment, Telecommunications, and Operation of Automotive Equipment

For Fiscal Year 2012, the appropriation process was changed for operating expenses that were paid from the General Revenue Fund. The Board received individual appropriations designated for specific purposes rather than a lump sum appropriation for operational expenses.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2011**

Operational Expenses

For Fiscal Year 2011, the appropriation process was changed for operating expenses paid from the General Revenue Fund. The Board received a lump sum appropriation for operational expenses, including personal service expenditures, rather than receiving appropriations for Personal Services, State Contributions to Social Security, and a lump sum appropriation for all other operational expenses.

STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
COMPLIANCE EXAMINATION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2012

**SCHEDULE 7**

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2011 AND 2012**

Miscellaneous

The increase in miscellaneous receipts was due to the Board receiving a reimbursement for employee travel expenses in Fiscal Year 2012.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2011 AND 2012**

Miscellaneous

The increase in miscellaneous receipts was due to the Board receiving a vendor refund and claim settlement in Fiscal Year 2011.

STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
COMPLIANCE EXAMINATION  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2012

**SCHEDULE 8**

**FISCAL YEAR 2012**

Operation of Automotive Equipment

The significant lapse period spending for operation of automotive equipment occurred due to the Board not receiving an invoice from the Department of Central Management Services until after June 30 for repair and maintenance work.

**FISCAL YEAR 2011**

The Board did not have any significant Lapse Period expenditures for the fiscal year ended June 30, 2011.

STATE OF ILLINOIS  
JUDICIAL INQUIRY BOARD  
COMPLIANCE EXAMINATION  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2012

(NOT EXAMINED)

Board Functions

The Judicial Inquiry Board (Board) is the sole disciplinary entity to inquire into allegations of misconduct and physical or mental incapacity of judicial officers. After investigation and upon determination by the Board that there is a reasonable basis to charge a judge with misconduct and/or incapacity, the Board will file and prosecute a formal complaint before the Illinois Courts Commission (Commission).

The Board was created by Article VI, Section 15 of the Constitution, which was adopted in 1970 and became effective July 1, 1971, as amended, effective November 3, 1998.

The Board consists of nine members (two Circuit Court judges, three lawyers and four non-lawyers). The two Circuit Court Judges are selected by the Illinois Supreme Court and the remaining seven members are appointed by the Governor. No more than two of the lawyers and two of the non-lawyers appointed by the Governor belong to the same political party. Each member is appointed to serve a term of four years with no member serving more than eight years.

The Board's primary functions are to receive or initiate complaints against judges or associate judges, conduct investigations, and file complaints with the Commission. A complaint filed with the Commission requires the concurrence of five members who believe that a reasonable basis exists to charge a judge or associate judge with one or more of the following: willful misconduct in office, persistent failure to perform his duties, other conduct prejudicial to the office or that brings the judicial office into disrepute, and/or a physical or mental incapacity to perform his duties.

The Board is responsible for adopting its own rules for governing its procedures. It has subpoena power as well as the authority to appoint and direct its staff. Funds for the operation of the Board are appropriated by law through the General Assembly of the State of Illinois.

Planning Program

The Board does not utilize a formal written planning policy. The Board utilizes Article VI, Section 15 of the Constitution to achieve its single mission: to conduct investigations, receive or initiate complaints concerning a judge or associate judge and file such complaints with the Commission. The Board utilizes the budget process for short-term planning. The budget is approved by the Board and monitored by the Executive Director.

STATE OF ILLINOIS  
 JUDICIAL INQUIRY BOARD  
 COMPLIANCE EXAMINATION  
**ANALYSIS OF OPERATIONS**  
 For the Two Years Ended June 30, 2012

(NOT EXAMINED)

Average Number of Employees

The following table, prepared from the Board's records, presents the average number of employees, by function, for the Fiscal Year Ended June 30,

<u>Position</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Executive Director and General Counsel	1	1	1
Administrative Assistant	1	1	1
Investigator	2	2	2
Executive Secretary	1	1	1
Total, Average Full-Time Employees	<u>5</u>	<u>5</u>	<u>5</u>

STATE OF ILLINOIS  
 JUDICIAL INQUIRY BOARD  
 COMPLIANCE EXAMINATION  
**ANALYSIS OF OPERATIONS**  
 For the Two Years Ended June 30, 2012

(NOT EXAMINED)

Service Efforts and Accomplishments

The following table, prepared from Board records, presents the number and type of allegations received or initiated by the Board, for the Fiscal Year Ended June 30,

<b>TYPE OF ALLEGATION</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Administrative misconduct	30	17	14
Alcohol/drugs	3	3	0
Bias, prejudice, partiality	203	165	129
Delay in scheduling or deciding a matter	26	27	39
Demeanor/injudicious temperament (i.e. impatient, rude, conduct that is intimidating and inappropriate language/commentary)	113	116	104
Ex parte communication (one-sided)	35	36	33
Failure to recuse/disqualify/conflict of interest	38	41	18
Illegal activity	77	74	53
Judicial decision/discretion (i.e. dissatisfaction with court procedures or rulings, use or nonuse of evidence, criminal sentences, custody, general outcome of the case)	397	335	287
Mental incapacity	7	1	4
Physical incapacity	0	1	0
Inappropriate political activity (i.e. publicly endorse or oppose a candidate for public office, personal solicitation of funds, make speeches on behalf of a political organization, misrepresentation of qualifications)	4	5	2
Racial/ethnic/gender bias or discrimination	41	37	46
Sexual misconduct/harassment	4	1	0
Inappropriate conduct off the bench (i.e. prohibited charitable, business, or personal conduct)	4	9	11
Violation of Constitutional Rights	151	134	85
Misconduct by a candidate	5	1	0
Prejudgment of a case	17	23	16
Abuse of power	41	26	28
Comment on pending/impending case	1	1	1
Other	6	3	2
<b>TOTAL:</b>	<b>1,203</b>	<b>1,056</b>	<b>872</b>
<b>Number of complaints received/initiated</b>	<b>524</b>	<b>453</b>	<b>376</b>
<b>Complaints filed with the Illinois Courts Commission</b>	<b>1</b>	<b>2</b>	<b>1</b>

NOTE 1: The total number of allegations exceeds the number of complaints received/initiated because many complaints contained multiple allegations.

NOTE 2: The total number of allegations and total number of complaints received/initiated in Fiscal Year 2010 have been restated by the Board to correct prior period reporting errors.