



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

LAW ENFORCEMENT TRAINING AND STANDARDS BOARD

**COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010**

Release Date: June 28, 2011

Summary of Findings:

Total this audit:	9
Total last audit:	13
Repeated from last audit:	9

SYNOPSIS

- The Law Enforcement Training and Standards Board (Board) did not exercise adequate controls over its electronic data processing (EDP) consulting agreements.
- The Board did not maintain adequate segregation of duties over its equipment and receipt processes.
- The Board did not notify the Secretary of State of all employees whose position required them to file an economic interest statement.
- The Board did not adequately utilize its State vehicles and did not accurately or timely report vehicle assignment and activity to the Department of Central Management Services.

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

**LAW ENFORCEMENT TRAINING AND STANDARDS BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010**

EXPENDITURE STATISTICS	2010	2009	2008
Total Expenditures.....	\$ 11,921,985	\$ 13,168,655	\$ 13,982,161
OPERATIONS TOTAL.....	\$ 2,578,861	\$ 2,627,702	\$ 2,497,992
% of Total Expenditures.....	21.6%	20.0%	17.9%
Personal Services.....	1,124,258	1,210,477	1,088,602
Other Payroll Costs (FICA, Retirement).....	651,050	598,889	523,899
All Other Operating Expenditures.....	803,553	818,336	885,491
AWARDS AND GRANTS.....	\$ 9,343,124	\$ 10,540,953	\$ 11,484,169
% of Total Expenditures.....	78.4%	80.0%	82.1%
Total Receipts.....	\$ 20,349,556	\$ 21,070,446	\$ 21,720,067
Average Number of Employees.....	18	20	20

SELECTED ACTIVITY MEASURES (not examined)	2010	2009	2008
Law Enforcement Officers completing mandated basic training.....	658	939	1,337
County Corrections Officers completing mandated basic training.....	276	365	506
Public Safety Personnel trained utilizing in-service training delivery system.....	42,840	44,108	43,202

AGENCY DIRECTOR	
During Examination Period:	Mr. Thomas Jurkanin (through 8/16/09) Mr. Kevin T. McClain (effective (8/1/09)
Currently:	Mr. Kevin T. McClain

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INADEQUATE CONTROLS OVER ELECTRONIC DATA PROCESSING CONSULTING CONTRACTS

Contracts not executed timely

The Illinois Law Enforcement Training and Standards Board (Board) did not exercise adequate controls over its electronic data processing (EDP) consulting agreements. We noted the following:

- The Board paid \$42,090 in Fiscal Year 2009 to a vendor for professional website application services and did not execute and file a contract with the State Comptroller's Office.
- The Board paid \$19,215 in Fiscal Year 2010 to a vendor for professional website application services prior to the execution of the contract. The contract stated a term of July 1, 2009 to December 31, 2009, but the contract was not executed until June 15, 2010. (Finding 1, pages 9-10)

We recommended the Board ensure professional and artistic contracts expected to exceed \$20,000 are competitively procured and all amounts are paid under the contract in accordance with the contract terms. Further, we recommended the Board procure EDP consulting services exceeding \$25,000 through DCMS as required by administrative rules and we recommended the Board ensure professional and artistic services contracts are reduced to writing and filed with the State Comptroller's Office as required by law.

Board agrees with auditors

Board management accepted our recommendation and stated the incidents happened or began prior to the current Executive Director and IT Manager being hired but nonetheless, measures have been implemented.

LACK OF SEGREGATION OF DUTIES

Inadequate segregation of duties over equipment and receipt functions

The Board did not maintain adequate segregation of duties over its equipment and receipt processes. During testing we noted the following:

- One person had authority to approve property purchases, tag inventory, maintain the property records, perform the annual physical inventory and complete the quarterly reports of State property.
- One person had the responsibility of receiving, recording, and endorsing checks as well as preparing

the RDT's for deposit for Fund 923.

- Receipts were not reconciled monthly by an independent person. (Finding 2, page 11)

We recommended the Board allocate sufficient personnel in order to maintain effective internal control over the authorization, custody and record keeping duties concerned with property control and receipts functions.

Board agrees with auditors

Board management accepted our recommendation and stated the Board will work within existing headcount resources to segregate the functions and request additional headcount resources through the budgetary process to more fully segregate functions.

FAILURE TO FILE ECONOMIC INTEREST STATEMENTS

Board failed to have all employees file economic interest statements

The Board did not notify the Secretary of State of all employees whose position required them to file an economic interest statement.

During testing we noted three Board employees who had direct authority for the formulation, negotiation, issuance or execution of contracts entered into by the State in the amount of \$5,000 or more were omitted from the list of employees required to file statements of economic interest and therefore the three employees did not file the required economic interest statements. (Finding 4, page 14)

We recommended the Board comply with the Act and take appropriate action to ensure required employees file economic interest statements with the Secretary of State.

Board agrees with auditors

Board management accepted our recommendation and stated they have already implemented the recommendation.

INADEQUATE UTILIZATION OF STATE VEHICLES AND INACCURATE VEHICLE REPORTING

Vehicles underutilized

The Board did not adequately utilize its State vehicles and did not accurately or timely report vehicle assignment and activity to the Department of Central Management Services (DCMS). During testing we noted the following:

- The Board did not sufficiently utilize 7 of 9 (78%) vehicles during Fiscal Year 2009 and Fiscal Year 2010. The vehicles were driven an average of 0 to 1,160 miles per month in Fiscal Year 2009 and 0 to 1,248 miles per month in Fiscal Year 2010.

Inaccurate reports submitted

- The Board’s Annual Vehicle Reports submitted to DCMS were inaccurate. The Board reported its vehicles’ average mileage driven was between 804 to 3,808 miles per month during Fiscal Year 2009 and 2010 when actual average monthly usage ranged from 313 to 2,179. Also, the Board inaccurately reported the vehicle number assigned to one individual on both the Fiscal Year 2009 and 2010 Annual Vehicle Report. Lastly, four employees were left off the Fiscal Year 2009 Annual Vehicle Report submitted by the Board to DCMS even though Board records showed these four employees had vehicles assigned to them. (Finding 7, pages 17-18)

We recommended the Board transfer underutilized and unnecessary vehicles to surplus or document the operational need for the vehicles. We also recommended the Board accurately report required vehicle data to DCMS.

Board agrees with auditors

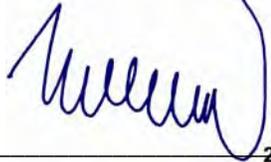
Board management accepted our recommendation and stated they will make every effort to comply with state requirements regarding vehicle utilization.

OTHER FINDINGS

The remaining findings pertain to: 1) employee attendance, 2) performance appraisals, 3) noncompliance with State Officials and Employees Ethics Act; 4) inadequate controls over automobile expenditures, and 5) voucher processing weaknesses. These findings are reportedly being given attention by the Board. We will review the Board’s progress towards implementation of our recommendations in our next examination of the Board.

AUDITORS’ OPINION

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



WILLIAM G. HOLLAND
Auditor General

WGH:JSC:pp

AUDITORS ASSIGNED

This examination was performed by the Office of the Auditor General’s staff.