

2007

ANNUAL REPORT

STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL



William G. Holland, Auditor General

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

March 1, 2008

Honorable Members of the General Assembly
The Legislative Audit Commission
The Honorable Rod R. Blagojevich, Governor
Citizens of Illinois

Ladies and Gentlemen:

Enclosed is the Annual Report of the Auditor General's Office for the year ended December 31, 2007, submitted in compliance with Section 3-15 of the Illinois State Auditing Act.

Since assuming this position in 1992, my consistent commitment has been to present objective, balanced and independent audits. I believe this annual report reflects the success of my office in meeting that goal during 2007. It will continue to be my goal during the coming year.

I thank all those who made possible the reported accomplishments, including members of the General Assembly, members and staff of the Legislative Audit Commission, and the staff of the Auditor General's Office.

Yours truly,

A handwritten signature in blue ink, appearing to read "William G. Holland", is written over a large, stylized blue arrow that points from the signature area towards the top right of the page.

WILLIAM G. HOLLAND
Auditor General

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OVERVIEW

Since August 1992, William G. Holland has served as Auditor General of the State of Illinois. He was appointed by the General Assembly to a ten-year term effective August 1, 1992, and unanimously appointed to a second ten-year term, effective August 1, 2002.

As a constitutional officer, the Auditor General audits public funds of the State and reports findings and recommendations to the General Assembly and to the Governor. The establishment of the Auditor General under the Legislature is important. It ensures that the Legislature, which grants funds and sets program goals, will ultimately review program expenditures and results. Thus, agencies are accountable to the people through their elected representatives.

The Auditor General's Office performs several types of audits to review State agencies. Financial audits and Compliance examinations are mandated by law. They disclose the obligation, expenditure, receipt, and use of public funds. They also provide agencies with specific recommendations to help ensure compliance with State and federal statutes, rules and regulations.

Performance audits are conducted at the request of legislators to assist them in overseeing government. Programs, functions, and activities are reviewed according to the direction of the audit resolution or law directing the audit. The General Assembly

may then use the audit recommendations to develop legislation for the improvement of government.



Information Systems audits are performed on the State's computer networks. They determine whether appropriate controls and recovery procedures exist to manage and protect the State's financial and confidential information.

Copies of all audits are made available to members of the Legislature, the Governor, the media, and the public. Findings include areas such as accounts receivable, computer security, contracts, expenditure control, leases, misappropriation of funds, personnel and payroll, property control, purchasing, reimbursements, telecommunications, and travel.

Audit reports are reviewed by the Legislative Audit Commission in a public hearing attended by agency officials. Testimony is taken from the agency regarding the audit findings and the plans the agency has for corrective action. In some cases, the Commission may decide to sponsor legislation to correct troublesome fiscal problems brought to light by an audit. All outstanding recommendations are reviewed during the next regularly scheduled audit of an agency; or, if the Commission requests, a special interim audit may be conducted. ❖

OVERVIEW

PUBLIC INFORMATION

An audit and its supporting workpapers, unless confidential by, or pursuant to, law or regulation, are public documents once the report has been officially released to the Legislature, the public, and the press. These documents are available for review in our Springfield and Chicago offices.



The following information is also available by request:

- Late Filing Affidavits
- Emergency Purchase Affidavits
- Professional or Artistic Services Affidavits
- Contractual Services Certifications

Information about the Auditor General is available on the Internet. This information includes report summaries and full report texts.

PUBLIC INFORMATION IS AVAILABLE BY WRITING:

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PUBLIC INFO.

CONTINUING PROFESSIONAL EDUCATION AND TRAINING REQUIREMENTS

The U.S. Government Accountability Office has established Government Auditing Standards to provide a framework for conducting high quality government audits and attestation engagements with competence, integrity, objectivity, and independence.



The general standard related to competence specifies that auditors assigned to perform the audit or attestation engagement must collectively possess adequate professional competence for the tasks required.

The general standard related to continuing professional education (CPE) applies to auditors who are responsible for planning, directing, performing field work, or reporting on an audit or attestation engagement conducted in accordance with Government Auditing Standards. This requirement first became effective January 1, 1989, and now states that every 2 years auditors should complete at least 80 hours of CPE that enhances the auditor's professional proficiency to perform audits or attestation engagements. A minimum of 24 hours of CPE should be in subjects directly related to government auditing, the government environment, or the specific or unique environment in which the audited entity operates. At least 20 of the 80 hours should be completed in each year of the 2-year period.

The most recently completed 2-year period for CPE requirements as measured by the Office of the Auditor General was January 1, 2005, through December 31, 2006. All auditors, audit directors, and information specialists required to meet the CPE standard were in compliance for this 2-year period, and are in compliance with current CPE requirements.

Additionally, the Office of the Auditor General is a registered sponsor with the Department of Financial and Professional Regulation, and complies with the rules of the Illinois Public Accounting Act. ❖

TRAINING

THE COMPLIANCE EXAMINATION PROGRAM

The Auditor General is required by the Illinois State Auditing Act to conduct, as is appropriate to the agency's operations, a financial audit and/or compliance examination of every State agency at least once every two years. These audits and examinations inform the public, the Legislature, and State officers about the obligation, expenditure, receipt, and use of public funds, and provide State agencies with specific recommendations to help ensure compliance with State and federal statutes, rules, and regulations.



The Compliance Examination Division conducted 152 engagements in 2007. These encompassed compliance examinations, financial audits, federal audits, and agreed-upon procedures. Staff auditors conducted 29 of these audits. The remainder were performed by public accounting firms under the general direction and management of the Auditor General's audit managers.

The Illinois Constitution of 1970 revised and expanded the traditional financial audits conducted of State agencies to focus on compliance with legislative intent and proper performance of governmental operations, as well as financial accountability.

The compliance program has a positive impact on the operations of State government because agencies implement many of the recommendations made in these reports. Compliance reports are also reviewed by the Legislative Audit Commission, where legislators question agency directors about audit findings and the corrective action they plan to take. Legislators and their staffs also use compliance reports during appropriation hearings in the spring legislative session. To maximize the usefulness of audit information, the Office attempts to deliver reports as early as possible in the legislative session.

COMPLIANCE

ACCOUNTABILITY

A number of reports issued in 2007 had findings that were important from an accountability standpoint. A brief summary follows.

CAPITAL ASSET REPORTING NEEDS IMPROVEMENT

Northern Illinois University does not have an adequate system in place to ensure capital asset purchases are recorded in the proper accounting period for financial statement purposes.

During our testing of capital asset additions for financial reporting purposes, we noted that \$1,280,244 of the 2006 additions were actually purchased and expensed in fiscal year 2005. This caused the capital assets to be understated as of June 30, 2005 and expenses to be overstated for fiscal year 2005. Further, capitalizing these items in fiscal year 2006 caused certain financial reporting issues. Also, we noted that approximately \$664,023 of 2006 additions were expensed rather than capitalized, causing the capital assets as of June 30, 2006 to be understated and the fiscal year 2006 expenses to be overstated.

We recommended that the University record capital assets in the period in which they are purchased and received in accordance with accounting principles generally accepted in the United States of America.

University officials agreed with the finding and stated that they are in the process of modifying their fixed asset system to comply.

UNIVERSITY SUBSIDIES

The University of Illinois Research Park, LLC failed to pay an amount owed to the University of Illinois at June 30, 2005 within the next year.

University Guidelines state any university funds advanced to a University Related Organization (URO) or receivables from a URO shall be repaid to the source from which obtained within one year of the date of the transaction.

As of June 30, 2005, the Research Park owed the University \$280,578 related to infrastructure cost for a building. This balance plus additional charges incurred in the year ended June 30, 2006, remained unpaid as of June 30, 2006.

Research Park personnel stated that because they are unfunded except by support from the University, there are no clear mechanisms for them to repay infrastructure costs incurred for Research Park development that are contractually the responsibility of the Research Park.

We recommended that the Research Park repay the amount owed to the University and that the Research Park not incur costs or commit to projects for which they do not have a committed funding.

Research Park officials stated a memorandum of understanding has been produced between the Research Park and the Office of the Vice President for Technology and Economic Development to fund the debt incurred by the Research Park for the infrastructure costs associated with the building and that the money will be repaid by June 30, 2007.

INAPPROPRIATE CHARGES PAID BY THE UNIVERSITY

The University of Illinois Chicago Campus paid vouchers with inappropriate charges. According to the University, fictitious documents were prepared by two employees to collect incentives paid to human test subjects. The employees also allegedly claimed mileage expenses for travel not associated with the project. Also, one of the employees allegedly used University P-Cards for personal expenditures. The charges and expenditures were incurred from November 2004 through September 2005.

The University was alerted to accounting irregularities by a University employee and an internal investigation was conducted. This investigation concluded that two employees were creating documents for fictitious participants of a research study and disbursed participant incentives to themselves for personal gain. According to the

University, the employees also made up fictitious locations for these participants so that they could receive mileage reimbursements for personal gain. The internal investigation also concluded that the one employee was using a University P-Card for personal expenses including lunches, taxis and gasoline. According to the University, the total inappropriate charges for this activity were \$13,124; of this amount, \$11,099 was paid with Federal grant funds.

The University of Illinois Chicago Police Department arrested one employee on March 8, 2006, and the other employee on May 31, 2006. Neither employee works for the University at this time. One employee has been convicted on felony theft and ordered to pay \$12,134 in restitution to the University. The University has not yet repaid the federal agency for the \$11,099 in Federal questioned costs.

We recommended the University continue its communication with the Federal cognizant agency regarding the return of all questioned costs, as well as review its internal controls and segregation of duties.

University officials stated that communication with the Federal cognizant agency is ongoing and that a comprehensive corrective action plan has been implemented to increase the level of internal control and provide for the necessary segregation of duties.

NEED TO IMPROVE INTERNAL CONTROLS AT THE TESTING CENTER

The Testing Center at the University of Illinois Urbana Campus had inadequate internal controls in place pertaining to examinations administered and revenues collected.

The Testing Center administers examinations for both the University and for third parties. The Testing Center provides proctors for the tests. These

proctors are University employees. When tests are administered for third parties, the University is compensated by the third party based upon the number of tests administered.

During fiscal year 2006, the University testing records reflected revenues totaling \$54,083 from computer-based testing and 2,196 examinations administered. All of the examinations in fiscal year 2006 were administered for third parties.

The third-party billing system allowed a University employee to receive direct payments, payable to an individual proctor, in addition to payments to the University. Although the individual proctors made periodic reports on tests administered and revenues collected, no controls were in place to ensure the revenues due the University reconciled to the reports from third parties. This was a significant internal control weakness.

During our audit period, the new Director of the testing center discovered that the amounts reported to a third party as due the University were not the same as the fees due the University for the number of tests administered. University officials indicate that revenues of approximately \$90,000 may have been lost over a three-year period due to inadequate reconciliations and the lack of segregation of duties.

We recommended the University review the segregation of duties surrounding the payments of proctoring exams and determine if duties are properly segregated. Also, the University should establish formal procedures for appropriate revenue reconciliations to be performed on a timely basis and steps should be taken to address the matter of restitution to the University from the former employee.

University officials accepted our recommendation and stated that written procedures have now been put in place. These procedures: 1) provide for the proper segregation of duties; and 2) ensure that appropriate revenue reconciliations are performed. Further, the University is pursuing restitution from the former employee through the appropriate legal channels.

INADEQUATE PROCEDURES FOR DISPOSAL OF CONFIDENTIAL INFORMATION

The Department of Transportation had not ensured adequate procedures exist for disposal of documents containing confidential and sensitive information.

We found the Department's procedures for properly disposing of confidential information were not adequate and not always enforced.

While performing a walkthrough at the Department's main administrative location, auditors discovered confidential, personal, and sensitive information in recycle bins. Personal and sensitive information found included:

- Payroll reports including names and social security numbers.
- Employee timesheets, benefit statements, and bond statements that contained employee names, dependent names, social security numbers and home addresses.

The Personal Information Protection Act requires State agencies to properly dispose of information. The Act states, "Any State agency that collects personal data that is no longer needed or stored at the agency shall dispose of the personal data or written material it has collected in such a manner as to ensure the security and confidentiality of the material."

We recommended the Department comply with the Personal Information Protection Act and establish adequate Department-wide procedures for properly disposing of confidential information. Once established, the Department should effectively communicate the procedures to all Departmental personnel, and enforce compliance with its procedures.

Department officials agreed with our recommendation to protect, dispose, and securely store confidential information. The Department indicated they have implemented locked, secured containers for confidential information as well as provided procedures on proper disposal methods.

DISBURSEMENT PROCESSING WEAKNESS

During our testing of cash disbursements, we found the **Illinois Conservation Foundation** was not following its procedures and policy of obtaining two signatures on all checks written for more than \$5,000. In our testing of 50 disbursements, we identified 23 (46%) checks equal to or greater than \$5,000 that contained only one signature. The 23 checks totaled over \$2.6 million.

Foundation personnel stated the exceptions were due to time constraints and the inability to get two signatures in a timely fashion.

We recommended the Foundation strengthen controls over disbursement processing by following its policy and procedures to ensure checks over \$5,000 are properly signed by two authorized signers.

Foundation management agreed with our recommendation and indicated they have taken steps to strengthen controls over processing checks greater than \$5,000.

INADEQUATE CONTROLS OVER CONTRACTUAL PAYROLL EXPENDITURES

The Department of State Police did not maintain adequate documentation to substantiate payments to a contractual employee. The Department employed an Executive Protection Detail Supervisor during FY 05 and FY 06 to lead a team of Executive Protection Officers, which provides security to a specific Constitutional Officer. The Department paid the contractual employee \$99,468 annually during both FY 05 and FY 06 but did not formally monitor the employee's activities. In addition, the contractual employee was not required to submit documentation of the number of hours worked or invoices or other supporting documentation of activities.

We recommended the Department require and maintain sufficient documentation to ensure expenditures are reasonable and necessary.

Department officials concurred with our recommendation and stated since August 2006, all contractual employee timesheets are maintained at the work location.

NEED TO IMPROVE TIMELINESS AND DOCUMENTATION OF ENFORCEMENT ACTIVITIES

The Department of Financial and Professional Regulation's Division of Professional Regulation's Enforcement Unit did not perform and/or document enforcement activities in a timely or sufficient manner.

The Department has established and implemented guidelines and time frames for significant investigation, prosecution, and probation/compliance activities of the enforcement unit. We used the Department's guidelines and time frames as the criteria for our tests.

We reviewed 34 investigation files and noted numerous deficiencies, including the following:

- In 12 out of 34 (35%) case files reviewed, the Department was unable to locate the case files or any supporting documentation for the case.
- In 9 out of 34 (26%) case files reviewed, an Investigative Report was not included in the file.
- In 4 out of 34 (12%) case files reviewed, significant activities had not been completed for normal cases within 90 days of receiving the complaint.

We reviewed 25 prosecution files and noted numerous deficiencies, including the following:

- In 5 out of 25 (20%) case files reviewed, the Department was unable to locate the case file or any supporting documentation for the case.
- In 7 out of 25 (28%) case files reviewed, an Investigative Report was not included in the file.
- In 4 out of 25 (16%) case files reviewed, the Chief Prosecutor did not review and assign the case within 30 days of referral. For these cases,

the review and referral ranged from 41 to 110 days late.

We reviewed 16 probation files and noted numerous deficiencies, including the following:

- In 1 out of 16 (6%) case files reviewed, the Department was unable to locate the case file or any supporting documentation for the case.
- In 11 out of 16 (69%) case files reviewed, an Investigative Report was not included in the file.
- In 8 out of 16 (50%) case files reviewed, the acknowledgment letter sent to the complainant was not maintained in the case file. Therefore, we were unable to determine if an acknowledgment letter was completed or filed within 30 days of initial receipt.

In carrying out the Department's mission to serve, safeguard, and promote the public welfare, the Department has a responsibility to expeditiously discipline licensees who violate governing regulations to prevent further harm to the public. Continued deficiencies in the enforcement process place the public at risk to licensees who are not fulfilling their responsibilities.

We recommended the Department comply with the State Records Act and maintain the documentation required within its Enforcement Unit files. Further, the Department should allocate the resources necessary to comply with its internal guidelines for the Enforcement Unit to ensure that case files and the Regulatory Administration and Enforcement System reflect necessary and significant investigative, prosecution, and probation/compliance activities within the Department's established time frames.

The Department concurred with the recommendation that the investigators and prosecutors should perform and document their activities within the timeframes and in the manner as set by the policy manual. However, the Department did not concur with the conclusion that enforcement files that are not in strict compliance with the policy manual create a significant public risk.

The Department stated that the policy manual guidelines are internal guidelines and noted that not all aspects of an investigation or prosecution are within the control of the Department. The Department

stated it would develop a written case review policy and directive and work with IT to develop automated notices to inform the Chief Prosecutors when cases fall outside of policy timelines. Further, the Department is undertaking a complete revision of the enforcement policy manual.

In an auditors' comment, we did not concur with the Department's assertion that enforcement files not in strict compliance with the policy manual do not create a significant public risk. Also, we noted that one of the Department's primary responsibilities is to regulate professions. Since the Department regulates thousands of individuals and businesses, it is imperative the Department have strong standardized policies and procedures for its Enforcement Unit. Auditors are holding the Department to its own policies and procedures. If these are inadequate, the Department needs to modify its policies and procedures.

As evidenced by the numerous exceptions noted above, the Department's documentation and record-keeping in its Enforcement Unit needs significant improvement. Failure to expeditiously discipline licensees who violate governing regulations does indeed place the public at risk to licensees who are not fulfilling their responsibilities.

EXCESSIVE ADMINISTRATIVE APPROVALS FOR DEER AND TURKEY PERMITS

The Department of Natural Resources issued excessive administrative approvals for deer and turkey hunting permits, approved incomplete applications for administrative approvals, and exceeded Department established hunting quotas. The Department also failed to make the administrative approval process open to the public, resulting in preferential treatment for certain hunters.

During the engagement period, the Department issued 1,250 deer and turkey permits via an administrative approval process. This process allows for a hunter to obtain a deer or turkey hunting permit without going through the lottery

system, or to obtain a permit if the hunter was unsuccessful in obtaining a permit through the lottery process. During our testing of 240 permits issued via administrative approval, we noted the following:

- Department forms were incomplete for 220 of 240 (91.7%) administrative approvals issued.
- Permit applications were incomplete for 103 of 240 (42.9%) permits granted via administrative approval.
- Permit fees were not charged for 53 of 240 (22.1%) permits granted via administrative approval.
- One individual was issued 20 permits through administrative approval and there was no documentation of payment for these permits, for which fees totaled \$600.
- Five representatives of an ammunition company were granted three permits each through administrative approval for permit year 2005 and there was not documentation of the payment for these permits, for which fees totaled \$1,045.
- The Department issued 27 youth hunt permits for Gallatin County, although Gallatin County was not approved for youth hunting.
- Many administrative approval permits were issued to allow a hunter who had been issued a permit via the lottery process an additional permit(s) for an earlier hunting season or an either sex deer permit, which is the preferred permit for many hunters.
- Several administrative approvals were issued prior to the initial lottery, resulting in fewer permits available for other hunters. In addition, other administrative approvals occurred after the lottery process, resulting in permits issued in excess of target quotas.
- Administrative approvals were issued for Illinois Conservation Foundation donors, professional athletes, judges and politicians.

We recommended the Department establish policies and procedures for administrative approvals for hunting permits, to ensure all approvals are accurate, complete, documented as to purpose and in

compliance with the Wildlife Code.

Department officials agreed with our recommendation and noted that the documentation for permits issued administratively needs significant improvement. The Department's Office of Administration will work with the Director's Office and General Counsel to develop procedures that fully comply with the Illinois Compiled Statutes.

NEED TO IMPROVE CONTROLS OVER EMPLOYEE TRAVEL AND USE OF UNIVERSITY CREDIT CARD

Chicago State University did not always follow travel policies issued by the Illinois Higher Education Travel Control Board and Property Control Rules issued by the Department of Central Management Services. We also noted numerous charges to the University credit card that were not supported by appropriate receipts and documentation.

During our testing of University credit card expenditures, some of the items we found are as follows:

- A number of restaurant charges totaling \$6,842 were identified as lunches or dinners, but only one receipt totaling \$995 was included in the payment package. The payment documentation did not identify any specific business purpose for these expenditures. The employee was not on travel status when the charges were incurred.
- Thirteen charges totaling \$3,932 were for tickets to various theatrical events. Of these 13 charges, 8 had no receipts on the payment package except the credit card statement, and none listed the business purpose or participants for these expenditures.
- Eighteen charges totaling \$2,027 were for miscellaneous gifts and fees. Of these items, 14 had no receipts attached to the payment packages except the credit card statement.

While testing travel expenditures some of the items we found are as follows:

- Direct bill payments were not detailed on the employee's travel vouchers. Many items were directly charged to the University (airfare, hotel, meals, etc.) and were not detailed out on the travel voucher.
- At least 18 charges on the University credit card were for hotels, airlines, or other travel accommodations (while on travel status). These charges, however, did not have any receipts or invoices attached to the payment package. All of these payments were made from the credit card statement invoice only, without supporting receipts.
- For 10 charges, the rates for hotels were in excess of the amounts allowed by the Illinois Higher Education Travel Control Board (Board). These charges were on the University credit card bills, and there was no documentation identifying whether the hotels were conference hotels and if these accommodations were the least expensive room available. In some instances, there were no receipts to determine if the rates charged were allowable.
- There were instances where unallowable expenditures were being charged to the University. These items included movies, gifts, alcohol, and supplemental charges related to a seminar aboard a cruise. The total amount of these items could not be readily determined.
- Some payments pertained to two leadership seminars conducted aboard cruises, where the University was charged for the most expensive room offered. Also, included in these payments was a two night pre-cruise hotel/reception at a cost of \$299 per person. Total charges were \$7,654.

We recommended that the University implement procedures to ensure compliance with the State Property Control Act and the State Records Act and require all employees to adhere to regulations established by the Higher Education Travel Control Board and Travel Regulation Council.

University officials agreed with the recommendation and stated that they will schedule staff training on voucher processing to ensure that University procedures and applicable State regulations are complied with.

PREMIUMS NOT BILLED FOR ALL REQUIRED CHILDREN

The Department of Healthcare and Family Services' All Kids application system did not properly bill premiums for all required children.

During FY 06 the Department embarked on a significant project in order to implement the All Kids program which began on July 1, 2006. During our review of this project, it was noted the premium calculation process of the application contained a program error, in which recipients enrolled were not billed monthly premiums. Specifically, the All Kids application passes records to the billing system with zero amounts for premiums. Thus, recipients have been enrolled, but were not appropriately billed monthly premiums.

The Department was unable to determine the number of enrolled recipients with zero payment amounts, the total dollar amount of unbilled premiums, or the reason for the error at the time of our fieldwork. The problem was reported to the Department's Bureau of Information Services on June 29, 2006; however, there was no estimated completion date to fix the problem. Thus, the Department continued to provide services during FY 07 to some enrolled recipients without receiving the appropriate premium.

After completion of the testing, the Department stated there were 54,251 children, which were required to make premium payments, of which 623 children had their premium payment affected by the program error. As of November 2, 2006, the Department had not made a determination as to the collection of back premiums.

We recommended that the Department ensure the All Kids application system meets its needs and promotes compliance with mandated requirements. The Department should work diligently to determine the problem in the All Kids application and resolve it. Additionally, the Department should conduct an analysis to determine the financial effects on the All Kids Program and whether unbilled premiums should be collected.

Department officials accepted our finding and recommendation and stated that the Department has

reviewed the incoming data files for this program and has corrected the situation within HFS' systems. The Department will work with the Department of Human Services to synchronize the systems. In addition, the Department has determined the financial impact on the All Kids program was negligible, and is considering whether unbilled premiums should be collected.

INSUFFICIENT CONTROLS OVER FINANCIAL REPORTING

The Illinois State Toll Highway Authority (Tollway) did not have sufficient controls over the financial reporting process.

During our audit, we noted that numerous adjustments were made to the initial trial balance provided to the auditors. Fifty-two accounts were adjusted subsequent to April 2007. Some of the more significant adjustments noted during our review are as follows:

- Beginning net assets were adjusted by approximately \$9 million.
- Repurchase agreements totaling \$2.8 million were written off.
- Interfund balances did not balance.
- The account reconciliations prepared by Tollway staff for the worker's compensation accrual did not agree to amounts recorded in the general ledger.
- The unamortized bond discounts and premiums recorded in the general ledger were overstated by \$512,000 in the initial trial balance.
- We also noted the deficiencies within the General Account Bank Account reconciliation.

We recommended that internal control over financial reporting be strengthened. We further recommended that the Tollway use an automated accounts payable system to track all vendor invoices.

Tollway officials agreed with our recommendations and stated that they are continuously improving their reconciliation processes.

UNTIMELY VIOLATION SYSTEM IMPLEMENTATION

The Illinois State Toll Highway Authority (Tollway) did not exercise their right to pursue collection of the toll violators.

The Tollway was not able to bill toll violators on a timely basis. The Tollway was implementing a new violation system and the last billings occurred in July 2006. As of mid-July 2007, the Tollway was still implementing the system and had not resumed issuing notices to violators. The notices pertaining to violators since the last billing in 2006 have been

delayed but not forgiven, and will be billed when the system is fully implemented.

Toll violation revenue recorded for 2005 was approximately \$26 million and in 2006 the amount decreased 54% to approximately \$12 million.

We recommended the Tollway fully implement its new system and resume billing all toll violators in accordance with their right established by state statute.

Tollway officials agreed with our recommendation and stated that the violation enforcement conversion is expected to be completed in 2007. ❖

STATEWIDE SINGLE AUDIT UPDATE



The purpose of the Statewide Single Audit is to fulfill the State mandate in accepting federal funding. It includes all State agencies that are part of the primary government and expend federal awards. In total, 42 Illinois State agencies expended federal financial assistance in FY 06.

The schedule of expenditures of federal awards reflects total expenditures of \$15.5 billion for the year ended June 30, 2006. Overall, the State participated in 354 different federal programs; however, 10 of these programs or program clusters accounted for approximately 79.7% of the total federal award expenditures.

| FEDERAL AGENCIES PROVIDING FEDERAL FUNDING <i>For the year ended June 30, 2006</i> | |
|--|--------------------|
| <i>U.S. Department</i> | <i>Millions</i> |
| Health & Human Services | \$ 7,666.2 |
| Agriculture | 2,261.2 |
| Labor | 2,083.9 |
| Education | 1,783.2 |
| Transportation | 1,152.9 |
| All Others | 551.5 |
| Total Federal Award Expenditures | \$ 15,498.9 |
| <i>Source: FY 2006 State of Illinois Single Audit Report</i> | |

Overall, ten State agencies accounted for approximately 97% of all federal dollars spent during FY 06.

Our audit testing focused primarily on the 52 major programs expending about \$14.6 billion in federal awards.

Our report contained 95 findings related to 17 State agencies.

A myriad of factors have delayed the completion of the Statewide Single Audit in recent years. Many of these same factors have also resulted in delays in completing the Statewide financial statements. The Statewide financial statements need to be completed before the Schedule of Expenditures of Federal Awards (SEFA) can be finalized, which is the

financial schedule included in the Single Audit reporting package submitted to the Federal Audit Clearinghouse.

Some of the factors that impact the timely completion of the Statewide Single Audit include:

- The number of programs not receiving an unqualified opinion (i.e., received either an adverse, disclaimer or a qualified opinion) has

| SUMMARY OF FEDERAL SPENDING BY STATE AGENCY <i>For the year ended June 30, 2006</i> | |
|--|--------------------|
| <i>Agency</i> | <i>Millions</i> |
| Healthcare and Family Services | \$ 5,904.9 |
| Human Services | 3,062.9 |
| Employment Security | 1,910.6 |
| Board of Education | 1,810.3 |
| Transportation | 1,152.5 |
| Children & Family Services | 422.6 |
| Student Assistance Commission | 282.4 |
| Commerce & Economic Opportunity | 244.4 |
| Public Health | 154.6 |
| Environmental Protection Agency | 96.5 |
| All Others | 457.2 |
| Total Federal Spending | \$ 15,498.9 |
| <i>Source: FY 2006 State of Illinois Supplemental Report of Federal Expenditures by Agency/Program Fund.</i> | |

grew from 7 in FY 2000 to 20 in FY 2006. The total expenditures in FY 2006 not having unqualified opinions totaled \$9.2 billion or 60% of the total SEFA expenditures of \$15.5 billion.

- Beginning in FY 2003, the Single Audit's (and the State's financial statements for the State of Illinois) SEFA disclosed reportable conditions in internal control. Accuracy of the original amounts

being reported by certain agencies to the State Comptroller in its annual GAAP package reporting process have multiple errors such as:

- Incorrect Catalog of Federal Domestic Assistance (CFDA) numbers.
- Incorrect program names or incorrect or missing information on the forms.
- Failure to include the subrecipient payments on the form.
- Information reported on the form does not agree with other information provided by the agency.
- Information does not agree with agency's grant award and/or grant award ledger.
- Listing of payments by subrecipient is either missing or does not agree with the amount reported on the form.

These inaccuracies are documented by changes made by the State Comptroller's Office in its review of the GAAP accounting forms and the OAG's annual financial audits and attestation engagements of State agencies.

- Agencies did not finalize certain spending allocations until 4 to 5 months after year-end. The delays in finalizing spending allocations results in delays in the State's completion of the financial statements and SEFA, as well as delays in completion of the Statewide Single Audit.
- Delays were encountered in receiving the final SEFA data file from the State Comptroller of adjusted and/or corrected federal expenditures. For example, the OAG did not receive the final FY 2006 data file to compile the State's SEFA until December 8, 2006.

State agencies need to continue to work to address the issues identified above so that Illinois can timely report on its use of federal assistance.

PEER REVIEW

Peer review is an external quality control review conducted every three years by audit professionals from across the United States who are selected by

the National State Auditors Association. The peer review helps to ensure that our procedures meet all required professional standards, comply with Government Auditing Standards, and produce reliable products for the agencies we audit.

The July 2005 peer review of the Auditor General's audit processes resulted in an unqualified (clean) opinion. Additionally, the peer review team did not note any deviations from professional standards that would have required a written letter of comments. Our prior peer reviews, conducted in 1996, 1999 and 2002, likewise resulted in unqualified opinions. Our next peer review is slated for 2008.

ANNUAL AUDIT ADVISORY

Every year, the Auditor General's Office distributes an Illinois Audit Advisory to all State agencies for the purpose of sharing information that may make their operations more efficient and effective, and increase compliance with State law. The 2007 Illinois Audit Advisory profiled high risk areas, including: contracting processes, subrecipient monitoring, financial reporting, safeguarding confidential information, and noncompliance with State laws. This year's Advisory also addressed issues such as workplace environment and fraud, and an overview of SAS 112 - "Communicating Internal Control Related Matters Identified in an Audit."

OTHER AUDIT RESPONSIBILITIES

The Auditor General is required by law to annually review the Comptroller's Statewide accounting system. This review is accomplished through the Office's audit of the State Comptroller, and by ensuring that all agency audits are performed in accordance with the Auditor General's Audit Guide.

In addition, the Auditor General annually reviews the State Comptroller's pre-audit function. Pre-audit is the primary control over expenditure voucher processing. The State Comptroller pre-audits financial transactions to determine if they are proper and legal. ❖

THE PERFORMANCE AUDIT PROGRAM

Performance audits are conducted at the request of legislators to assist them in their oversight function. Based on the scope specified in the resolution or the law requesting the audit, State agencies' programs, functions, and activities are reviewed. The audits determine if resources are used efficiently, economically, and effectively to provide services which the General Assembly intended. Depending on the focus, they are generally referred to as program or management audits.

The General Assembly uses performance audit information to develop legislation, to deal with budgetary issues, and to direct agencies to change and improve programs. Some audits produce immediate changes. In other instances, significant changes may not be seen for several years. The length of time it takes to see changes is due to the process of transforming the audit findings and recommendations into legislative bills and converting bills into law; additionally, once a law is implemented, the effects may not be apparent for some time.

In August 2007, the *Management Audit of the Flu Vaccine Procurement and the I-SaveRx Program* received a Recognition of Impact Award from the National Legislative Program Evaluation Society (NLPES). The award is given annually by NLPES for audit reports that demonstrate significant dollar savings, program improvements, and impact from a legislative and public perspective. The Office previously received the NLPES Certificate of Recognition of Impact for the following audits:

- *2004 Management and Program Audit of the Rend Lake Conservancy District;*
- *2003 Management Audit of the Illinois State Toll Highway Authority;*
- *2002 Management Audit of Agency Use of Internet User Tracking Technology;*

- *2001 State Board of Education and Other State Agencies Providing Funding to Illinois' Regional Offices of Education;*
- *2000 Management Audit of Child Support State Disbursement Unit;*
- *1999 Management Audit of the Pilsen Little Village Community Mental Health Center; and*
- *1998 Management Audit of Tuition and Fee Waivers.*



In 2005 and 2004, the Auditor General's Office was awarded the Excellence in Accountability Award by the National State Auditors Association (NSAA) for our Management and Program Audit of the Rend Lake Conservancy District and our Management Audit of the Illinois State Toll Highway Authority, respectively. NSAA established the Excellence in Accountability Awards Program in 2003 to recognize outstanding performance audits and special projects.

Performance audits directly impact and improve agency operations. The Auditor General released five performance audits, one follow-up audit, and one study in 2007. Those reports contained a total of 68 recommendations, followed up on 31 recommendations, and included 4 matters for the General Assembly to consider. State agencies generally accepted the audit recommendations to correct or improve operations.

In addition, the Performance Audit Program has the responsibility for annual audits of 45 Regional Offices of Education (ROEs) and 3 Intermediate Service Centers (ISCs). In 2007, these audits included a total of 101 recommendations for improvement.



PERFORMANCE

PERFORMANCE AUDITS COMPLETED IN 2007

MANAGEMENT AUDIT OF THE DEPARTMENT OF TRANSPORTATION'S AERONAUTICS OPERATIONS

Legislative Audit Commission Resolution Number 135 directed the Auditor General to conduct a management audit of the Illinois Department of Transportation's (IDOT's) aeronautics operations. Our audit concluded that:

- The amounts billed by IDOT to users of the State's aircraft were not sufficient to cover the cost of operating the State's aircraft for fiscal years 2003 – 2006. On average the amounts billed covered only 14.3 percent of the cost of operating the State's aircraft over the four-year period.
- The business rate charged to users of the State's aircraft has not been increased since 1981. If IDOT's goal was to recover its cost, IDOT would need to raise the rate charged for the executive aircraft from \$0.41 per seat-mile to \$1.85 per seat-mile. For the executive helicopters, IDOT would need to increase the amount charged from \$84.00 per seat-hour to \$1,861.50 per seat-hour.
- IDOT currently charges \$59.86 for a one-way shuttle flight between Springfield and Chicago Midway. Based on the average cost per passenger seat-mile for the four-year period, IDOT would need to charge \$270.10 for a one-way shuttle flight to cover the cost of operating the State's aircraft.
- IDOT did not include all costs of operating the State's aircraft in its cost reports.
- IDOT has not fully analyzed the cost effectiveness of its air operations and has also not analyzed the optimum fleet size needed.
- Flight requests from State agencies are not made in writing as required by statute. Passengers also are not attesting to the purpose of the flight when signing the flight manifest as required in IDOT's Air Transportation Guidelines.
- IDOT does not charge business users for any positioning legs associated with a requested flight.
- Rates charged by commercial airlines are higher than the rates charged by IDOT but lower than the actual cost incurred by IDOT to provide the service.
- The shuttle flights represented 73 percent of all executive aircraft flights during fiscal years 2003 – 2006 and averaged 5.6 passengers per flight.

Special flight requests represented 25 percent of executive aircraft flights and averaged 4.0 passengers per flight.

PERFORMANCE AUDIT OF THE MASS TRANSIT AGENCIES OF NORTHEASTERN ILLINOIS: RTA, CTA, METRA, AND PACE

The Illinois House of Representatives adopted Resolutions Number 479 and 650 which directed the Office of the Auditor General to conduct financial, compliance, and performance audits of the four mass transit agencies in northeastern Illinois.

Our audit found that RTA, CTA, Metra, and Pace are facing a serious financial shortfall. Revenues are not sufficient to pay for current operations, capital renewal programs, and new services.

1. The three Service Boards (CTA, Metra, and Pace) operate independently. Given the financial and operational challenges facing mass transit in northeastern Illinois, the role of the RTA needs to be clarified and strengthened.
2. The General Assembly may wish to consider several statutory changes to address mass transit in northeastern Illinois:
 - Change the governance structure. Such changes could range from enhancing the RTA (e.g., planning, reviewing budgets, finance, coordination of fares, performance measurement, and oversight of operations) to centralizing governance.
 - Review the funding formula. Service Boards are funded by sales taxes that are distributed by statutory formula, which has remained unchanged since its inception in 1983.
 - Review the RTA Board membership. The current allocation of RTA Board members is not consistent with the population distribution of the 2000 federal census. Also, only one of the three Service Boards is represented on the RTA Board.
3. The Service Boards operate a fleet of buses and rail cars that are aging and facing significant replacement costs.
4. Passenger trips on CTA, Metra, and Pace

PERFORMANCE AUDITS COMPLETED IN 2007 (CONT.)

decreased from 743 million in 1985 to 543 million in 1997 (fewer passengers using CTA buses), but have since increased to 598 million in 2005.

5. The Service Boards' operating expenses have increased slightly in constant dollars since 1985 (\$1.88 billion in 2005 vs. \$1.76 billion in 1985), even though ridership fell by 20 percent.
6. In the past five years, the operating cost of Service Boards has increased 6.5 percent annually while the operating revenues have increased only 2.2 percent annually.
7. RTA sales tax collections have increased slowly from \$623 million in 1985 to \$700 million in 2005 (in 2005 dollars).
8. The percent of operating expenses covered by fare revenues fell from 43 percent in 1985 to 35 percent in 2005.
9. Some opportunities exist to improve efficiency and effectiveness through increased coordination, decreased redundancy, and improved operations.
10. CTA's retirement plan is severely underfunded and its condition is worsening: Actuarial liabilities increased from \$2.2 billion in 2000 to \$3.5 billion in 2006, while assets declined \$500 million.
 - The CTA Plan faces a shortfall for post-retirement healthcare benefits and funds may be depleted in 2007, per its actuary.
 - The General Assembly may wish to consider revising the governance structure for the CTA Retirement Plan by adding public members to the governing committee.

FOLLOW-UP REPORT ON THE 2004 FINANCIAL, MANAGEMENT, AND PROGRAM AUDITS OF THE REND LAKE CONSERVANCY DISTRICT

Legislative Audit Commission adopted Resolution Number 133 which directed the Auditor General to follow up on the financial, management, and

program audits of the Rend Lake Conservancy District that were performed and issued pursuant to Public Act 93-0275.

The Rend Lake Conservancy District has made significant progress in implementing the recommendations contained in the Office of the Auditor General's September 2004 financial, management, and program audits. All of the 31 findings and recommendations have either been fully or at least partially implemented by the District. In addition, the District has significantly improved the operations of its business activities as of April 30, 2006.

Follow-up to the management and program audit showed that the District had fully implemented 12 recommendations and partially implemented 4 recommendations. Steps taken by the District include:

- Hiring an in-house Engineer and Legal Counsel;
- Approving policies and procedures for the District;
- Requiring Board members and employees to file conflict of interest forms annually with the District;
- Establishing a line-item budget;
- Implementing a new residential water billing system;
- Leasing farmland on a cash rent basis;
- Leasing the restaurant; and
- Establishing marketing goals.

Although the District has made significant progress in implementing the recommendations, there remain areas where more steps need to be taken, including installing dedicated water meters, obtaining signed sewer agreements, completing a comprehensive list of property, and developing a disaster recovery plan for information systems.

Follow-up to the financial audit showed that the District had fully implemented 9 findings and partially implemented 6 findings. The progress made by the District includes:

- All purchases tested were competitively procured;
- Timesheets were being reviewed and approved;
- Income producing contracts were being monitored;

PERFORMANCE AUDITS COMPLETED IN 2007 (CONT.)

- Employees were being enrolled in the pension plan;
- All adjusting entries had been recorded by the District;
- Significant purchases were recorded in accounts payable or accrued expenses at year end; and
- The District's grant accounting was in accordance with generally accepted accounting principles.

Although the District continues to make progress in implementing these recommendations, areas still exist in which improvements are needed. Examples of these include segregation of duties, controls over the property control system, and revenues and accounts receivable management.

FINANCIAL, COMPLIANCE AND PROGRAM AUDIT OF THE VILLAGE OF ROBBINS' USE OF MUNICIPAL ECONOMIC DEVELOPMENT FUNDS

The Public Utilities Act (220 ILCS 5/8-403.1) requires the Auditor General to conduct an annual financial, compliance, and program audit of distributions received by any municipality from the Municipal Economic Development Fund. Qualified solid waste energy facilities are required to pay into the Fund \$0.0006 per kilowatt hour of electricity the facilities sold to electric utilities.

Each audit is to be for distributions from the Fund for the immediately preceding year. This is the eighth audit conducted under this requirement. This audit covers distributions from the Fund during calendar year 2006.

The Village of Robbins was the only entity to receive distributions from the Fund. The audit concluded that:

- In 2006, Robbins received \$239,748 in quarterly disbursements from the Fund. The Village earned \$45 in interest for total cash receipts of \$239,793 in 2006.
- Robbins disbursed \$239,000 from Fund receipts. Specific disbursements in 2006 were for Village payroll and associated insurance expenses, municipal water expenses, and general Village

expenses. We identified no questionable expenditures in calendar year 2006.

PERFORMANCE AUDIT OF PAYMENTS TO THE ILLINOIS HISPANIC CHAMBER OF COMMERCE BY STATE AGENCIES

Senate Resolution Number 631 directed the Auditor General to conduct a performance audit of State moneys provided by or through State agencies to the Illinois Hispanic Chamber of Commerce. Our audit concluded that the State paid \$1.77 million to the Illinois Hispanic Chamber of Commerce (IHCC) from Fiscal Years 2003 through 2006. Eighty-six percent of that amount was spent by the IHCC for program administration/operations. With the remaining 14 percent of State funding, the IHCC distributed \$45,740 (2.6 percent) to nine Hispanic partners related to one of the programs for which it receives State funding. IHCC also distributed \$100,000 (5.6 percent) to businesses as matching grants in Fiscal Years 2006 and 2007. Another \$100,000 (5.6 percent) to businesses as matching grants had not yet been distributed.

State expenditures were primarily from three different State agencies: the Departments of Commerce and Economic Opportunity (DCEO), Human Services (DHS), and Transportation (IDOT). The spending was paid in relation to 16 contracts. In addition, a total of \$130,490 was paid by State agencies for participation in the Illinois Hispanic Chamber of Commerce's Hispanic Business Expo (Expo). We identified problems at the IHCC, at DCEO, and at DHS including:

- The IHCC had problems with its financial management system and its ability to adequately track expenditures by program.
- The IHCC also had issues tracking performance for the various State agency contracts.
- DCEO had problems monitoring expenditures including: in-kind expenditures that were less than required; IHCC monthly and close-out reports that matched exactly to grant amounts; and time spent on grants by IHCC staff being less than was proposed in the contract.

PERFORMANCE AUDITS COMPLETED IN 2007 (CONT.)

- DCEO also had problems related to monitoring performance including: performance measures not established in all the contracts even though performance data was reported; incomplete performance data submitted; and IHCC only meeting a few of many performance measures which were established.
- DHS had weaknesses related to monitoring or maintaining documentation for its two IHCC grant agreements.

PROGRAM AUDIT OF FUNDING PROVIDED BY OR THROUGH THE STATE OF ILLINOIS TO THE CHICAGO PROJECT FOR VIOLENCE PREVENTION FOR THE CEASEFIRE PROGRAM

Senate Resolution Number 686 directed the Auditor General to conduct a program audit of the funding provided by or through the State of Illinois to the CeaseFire program. Our audit concluded that:

- In State fiscal years 2004 through 2006, the Chicago Project and its community partners received \$16.2 million from a variety of sources to operate the CeaseFire program and fund other Chicago Project activities.
- The State of Illinois provided the largest amount of funding, \$11.1 million, followed by private foundations at \$3 million, federal monies totaling \$1.8 million and Cook County with \$325,000 in funding.
- The Chicago Project was to utilize the funds, in part, for: subcontracts with community partners; salaries and benefits for Chicago Project staff; salaries and benefits for its own outreach staff to support community sites; and public education materials. Our testing found that some of the funds did not go for the stipulated purposes.
- Our examination of documentation at the Chicago Project and State contracts on file at the Comptroller found numerous weaknesses in the administration of the CeaseFire program that included:
 - During FY06, the Department of Corrections (DOC) provided funding for CeaseFire outside

the payment terms of the agreement.

- During FY06, the Chicago Project charged a total of \$365,000 in administrative fees that was not delineated in the funding agreement with DOC. DOC officials condoned the practice even though it was not outlined in the agreement.
- UIC and the Chicago Project allowed community partners to initiate work without a written agreement in place.
- Insufficient diligence by Chicago Project staff led us to question \$371,534 in reimbursements to community partners.
- CeaseFire communities were determined during the audit period by two sources: the Chicago Project or individual legislators that provided funding in the State budget.
- The Department of Corrections had no predetermined performance measures contained in funding agreements with the University of Illinois detailing what results were expected for the funding levels received. The agreements simply set forth payment schedules.

STUDY: INVENTORY OF STATE PROGRAMS

Legislative Audit Commission Resolution Number 130 directed the Office of the Auditor General to develop an inventory of State programs. Our study concluded that the State does not have a comprehensive, consistent inventory of programs. State agencies submit some program information in the budget forms and to the Office of the Comptroller for the Public Accountability Report, but the number of programs varies.

- Given the lack of a detailed inventory of State programs, the Office of the Auditor General sent a survey questionnaire to State agencies requesting information on their programs. Since there is no statewide definition of “program,” we provided agencies with a working definition to help ensure consistent reporting.
- Almost 100 agencies reported approximately 1,750 programs in our survey. The actual number of programs is likely higher given that some agencies reported programs to us at an aggregate level. In

PERFORMANCE AUDITS COMPLETED IN 2007 (CONT.)

comparison, 69 agencies reported over 200 programs to the Comptroller's Office for the Public Accountability Report which has categories of programs (e.g., human services, education, public safety).

- This study examined programs that could be duplicative between two or more agencies. We selected approximately 50 programs to perform additional testing for potential duplication. In general, agencies responded that significant differences existed between their programs, minimizing the possibility of consolidation. The types of differences included:
 - Different groups were served (private companies vs. government agencies) or different segments of similar groups were served (agribusiness vs. general economic development).
 - Program purpose was different (regulatory vs. consultative or economic growth vs. social service).
 - Different methods were used to provide assistance (technical assistance vs. funding).
- In three instances, one of the agencies that administered a program indicated that possible

duplication or an opportunity for consolidation may exist, but the other agency administering a similar program did not conclude similarly.

REGIONAL OFFICES OF EDUCATION AUDITS

In addition to other duties, the Auditor General has the responsibility for annual audits of the financial statements of all accounts, funds, and other moneys in the care, custody, or control of the regional superintendent of schools of each educational service region in the State. A total of 48 audits are conducted annually: 45 are of Regional Offices of Education or ROEs and 3 are of Intermediate Service Centers or ISCs. Our Office arranged for auditing firms to perform these audits under the general direction and management of the Auditor General's audit managers. In 2007, these audits contained a total of 101 recommendations for improvement. Many of the recommendations dealt with the need to improve internal controls and compliance with State laws and federal requirements. ❖

PERFORMANCE

PERFORMANCE AUDITS IN PROGRESS

AUDIT OF THE PILSEN-LITTLE VILLAGE COMMUNITY MENTAL HEALTH CENTER, INC.

House Resolution Number 1146 directs the Auditor General to conduct an audit of Pilsen-Little Village Community Mental Health Center, Inc., to determine whether funds received by the Center have been spent according to applicable State laws, regulations, contracts, and grants.

MEDICAID AND GROUP HEALTH INSURANCE PROGRAMS' COMPLIANCE WITH THE PROMPT PAYMENT ACT

Legislative Audit Commission Resolutions Number 136 and 137 direct the Auditor General to conduct an audit of Medicaid and Group Health Insurance reimbursements paid by the Department of Healthcare and Family Services in accordance with the Prompt Payment Act.

Resolution Number 136 direct a performance audit on the Medicaid Program and Group Health Insurance Program at Healthcare and Family Services including:

- The number of bills that have generated in excess of \$50 in interest, by fiscal year;
- The amount of unpaid interest on bills that have generated in excess of \$50 in interest, by fiscal year;
- The amount of paid interest on bills that have generated in excess of \$50 in interest, by fiscal year;
- The number of bills that have generated in excess of \$5 in interest but no more than \$50 in interest, by fiscal year;
- The amount of unpaid interest on bills that have generated in excess of \$5 interest but no more than \$50 in interest, by fiscal year; and
- The amount of paid interest on bills that have generated in excess of \$5 interest but no more than \$50 in interest, by fiscal year.

Resolution Number 137 directs a management audit

of the Healthcare and Family Services' process for receipt, approval, denial, and payment for services provided in the Medicaid program including:

- Whether and at what point there are delays in the reviewing and processing vendor bills and payments;
- Whether decisions to reject bills as not being in proper form are adequately documented and communicated in a timely manner to vendors, including a sampling of vendors to identify problems they may have encountered with the process;
- Whether dates of receipt of proper bills are adequately documented; and
- Whether the regular, systematic process used by the Department of Healthcare and Family Services for reporting claim liability information to the Office of the Comptroller pertaining to claims received and approved, but not yet submitted to the Office of the Comptroller, is adequate.

MANAGEMENT AND PROGRAM AUDIT OF THE ILLINOIS STATE POLICE'S DIVISION OF FORENSIC SERVICES

House Resolution Number 451 directs the Auditor General to conduct a management and program audit of the Department of State Police's (ISP) Division of Forensic Services including:

- Whether the current funding of the ISP forensic laboratories is sufficient, and if not, what funding the General Assembly must appropriate to meet their needs;
- Whether current staffing levels are sufficient;
- Whether ISP's policies, procedures, and protocols for operating its forensic laboratories are appropriate and conform to professional standards;
- The extent to which ISP has addressed past problems of testing backlogs;
- If ISP outsources any of its forensic laboratory testing, the process for selecting and monitoring those contractors;
- The adequacy of ISP's quality control processes, particularly with regard to ensuring the integrity of

PERFORMANCE AUDITS IN PROGRESS

test results produced by or on behalf of ISP's forensic services division, including but not limited to the accreditation process;

- The process in place at ISP to respond to questions or concerns raised about the adequacy and/or accuracy of results produced by ISP forensic laboratories and forensic laboratories under contract with ISP;
- The party or parties responsible for conducting investigations of allegations against forensic scientists employed or contracted by ISP and whether those persons are independent of the subject or subjects of the investigation and whether those persons comply with requirements set forth in the Coverdell Forensic Science Improvement Grant Program;
- The process for conducting investigations and whether that process is adequate;
- The process for disclosing identified problems with the conduct of ISP's forensic laboratories or with the results reported by any of those laboratories to interested parties;
- The practice of contracting out forensic testing to private laboratories for pending cases in the criminal courts, and the reasoning for such practice;
- The name and address of each private laboratory contracted by the Illinois State Police for forensic testing for the years 2000 to the present; and
- Whether any private forensic laboratories which are ASCLD or ISO accredited exist in Illinois.

THE VILLAGE OF ROBBINS' USE OF MUNICIPAL ECONOMIC DEVELOPMENT FUNDS

The Public Utilities Act (220 ILCS 5/8-403.1) requires the Auditor General to conduct an annual financial, compliance, and program audit

of distributions received by any municipality from the Municipal Economic Development Fund.

DEPARTMENT OF HUMAN SERVICES OFFICE OF THE INSPECTOR GENERAL

The Department of Human Services Act requires the Auditor General to conduct a biennial program audit of the office of the Inspector General. This audit has been done by the Auditor General for many years, but previous audits were required by the Abused and Neglected Long Term Care Facilities Residents Reporting Act. The requirement was moved in 2007 by Public Act 95-0545. The audit is to include the Inspector General's effectiveness in investigating reports of alleged neglect or abuse of residents in any facility operated by the Department of Human Services and in making recommendations for sanctions to the Departments of Human Services and Public Health. The Auditor General is to report its findings to the General Assembly no later than January 1 of each odd-numbered year.

REGIONAL OFFICES OF EDUCATION AUDITS

Since 2002 the School Code (105 ILCS 5/2-3.17a) has required the Auditor General's Office to conduct annual audits of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State. In 2008, a total of 48 audits are to be performed. ❖

PERFORMANCE

THE INFORMATION SYSTEMS AUDIT PROGRAM

Computers are an integral part of State government, processing billions of dollars in financial transactions each year and helping control the operations of State agencies. Since financial transactions and confidential information are processed using computers, audits of information system activities are necessary to ensure that computer processing is secure and accurate.

TESTING CONTROLS AND SYSTEMS

The Auditor General's office plans to review the information system controls of all the State agencies. In 2007, we reviewed the following agencies:

Department of Children and Family Services, Department of Commerce and Economic Opportunity, Department of Healthcare and Family Services, Department of Human Services, Department of Military Affairs, Department of Natural Resources, Department of Revenue, Department of State Police, Department of Transportation, Department of Veterans' Affairs, Environmental Protection Agency, Governors State University, Illinois State University, Northern Illinois University, Office of the Comptroller, Office of the Treasurer, Southern Illinois University, State Fire Marshal, Teachers' Retirement System, University of Illinois, and Western Illinois University.

As end-user computing and access to external entities proliferates in State government, the Auditor General has increased audit efforts in these areas. To enhance the control environment early in the implementation of statewide end-user computing, the Auditor General has emphasized the review of local and wide area networks, as well as security and control of confidential information. These reviews have focused on the necessity of establishing consistent and effective security policies and

programs and implementing comprehensive security techniques on all computer systems.



The information systems audit staff also reviewed and tested the systems and procedures at the State's central computer facility operated by the **Department of Central Management Services**. Through its facilities, the Department provides data processing services to approximately 97 user entities throughout State of Illinois governmental agencies. Auditors tested the facility's controls and the application systems used by many State agencies, such as accounting, payroll, inventory, and timekeeping.

Additional emphasis was placed on the use of Computer Assisted Audit Techniques (CAATs) in the application reviews. Computer programs were developed and executed to verify the integrity and validity of data. No major problems were identified with the data.

After reviewing the control environment, we recommended the Department of Central Management Services:

- Develop, obtain formal approval, and implement policies and procedures across the midrange environment. Specifically, the Department should develop and implement a standardized process to administer, secure, and monitor servers in the midrange environment.
- Thoroughly review and update security policies to address the current technological environment, consolidation issues, and present-day risks.
- Ensure billing statements accurately reflect services rendered to consolidated agencies.



INFO. SYSTEMS

Ten agencies — **Department on Aging, Department of Financial and Professional Regulation, Department of Healthcare and Family Services, Department of Revenue, Department of State Police, Department of Transportation, Department of Veterans' Affairs, Illinois State University, State Fire Marshal and Western Illinois University** — had not adequately developed or tested recovery plans to provide for continuation of critical computer operations in the event of a disaster. We recommended that these agencies develop and test disaster contingency plans.

Two agencies — **The Department of Healthcare and Family Services and the Department of Transportation** — had not ensured adequate procedures exist for the disposal of documents containing confidential and sensitive information. We recommended these agencies comply with the Personal Information Protection Act (815 ILCS 530/30) and establish adequate procedures for properly disposing of confidential information.

Western Illinois University failed to implement solutions to correct security issues identified in the prior audit that contributed to a security breach. In June of 2006, the University experienced a security breach which led to the unauthorized access and potential compromise of personal and confidential information, including social security numbers and credit card numbers of anywhere from 200,000 to 240,000 students and alumni. We recommended the University evaluate its computer environment and data maintained to ensure adequate security controls, including adequate physical and logical

access restrictions, have been established to safeguard its computer resources.

Two agencies — **Department of Transportation and State Fire Marshal** — did not have computer security policies that reflected the current environment or contained guidelines to address current laws. We recommended that these agencies develop/update security policies to reflect the current environment and address current laws and regulations.

The Department of Financial and Professional Regulation and Department of State Police did not effectively manage system development projects to ensure computer systems met expectations, were properly approved, sufficiently tested, and consistently documented. We recommended that these agencies develop a process to ensure requirements are fulfilled and computer systems meet expectations and user's needs.

The Capital Development Board and Department of State Police did not ensure compliance with change control procedures for computer systems. We recommended that these agencies ensure all changes to computer systems follow change control procedures.

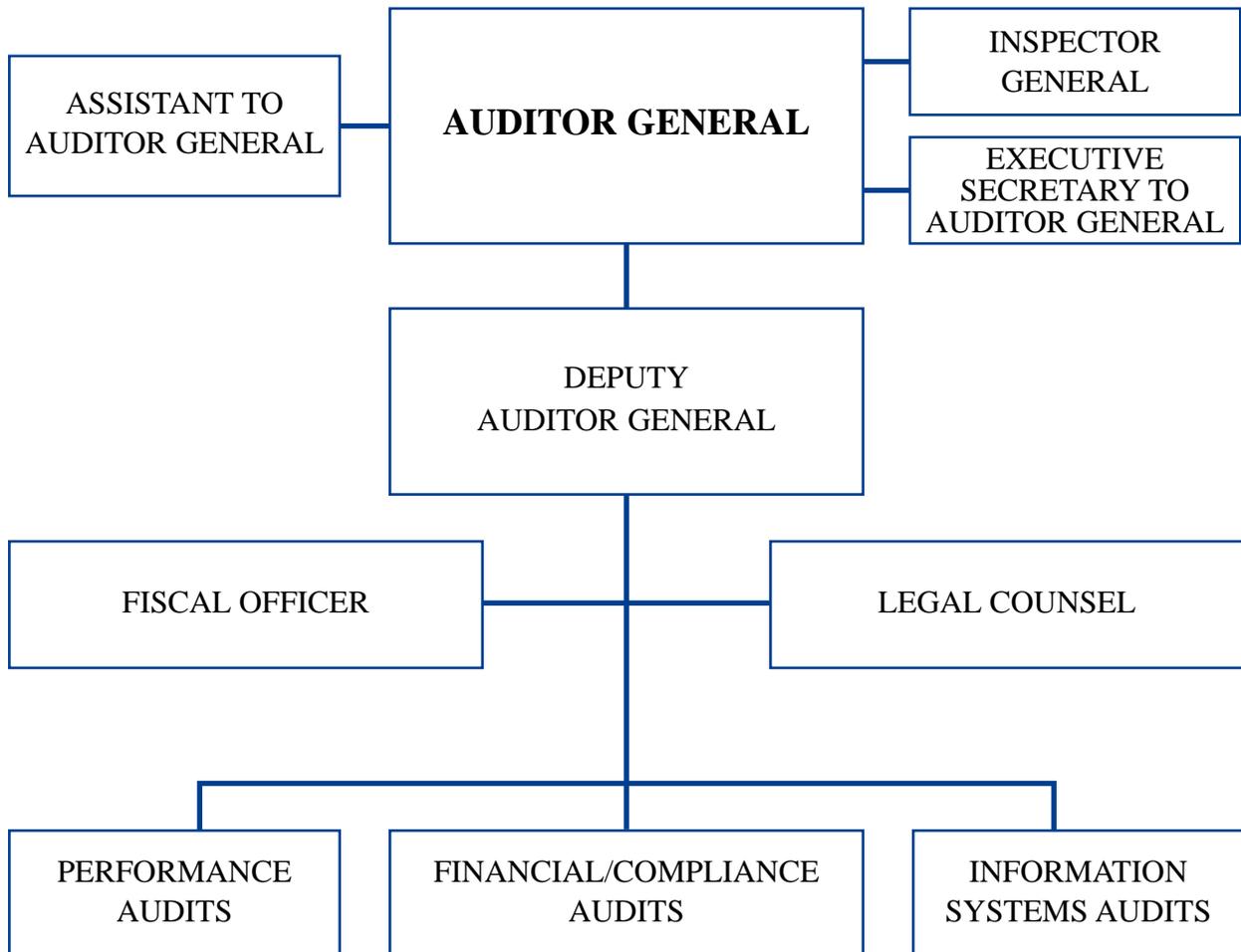
Agency officials generally concurred with our recommendations concerning these issues.

The Information Systems Audit Division also maintains the computer system environment for the office.



ORGANIZATIONAL CHART

As of December 2007, there were 87 employees. Seventy-eight were located in the Springfield Office and nine in the Chicago Office. ❖



ORGANIZATION

CLAIMS DUE THE STATE AND METHODS OF COLLECTION

As required by law [30 ILCS 205/2 (K)], the Office of the Auditor General is reporting that there were no outstanding claims administered by the Office that were due and payable to the State as of December 31, 2007. The accounts receivables generated by our Office primarily represent billings to other State agencies for reimbursement of audit costs. Reimbursements for federal single audits are deposited into the General Revenue Fund. Reimbursements for audits not associated with federal single audits are deposited or transferred to the Audit Expense Fund. If normal collection methods fail, we request assistance from the Office of the Attorney General. To date we have never used the services of a private collection agency.



SUMMARY OF APPROPRIATIONS AND EXPENDITURES

The Office of the Auditor General was funded by appropriations from the General Revenue Fund and Audit Expense Fund for fiscal year 2007 (July 1, 2006 to August 31, 2007, including lapse period).

| <i>FY 2007 - FINAL</i> | | | |
|-----------------------------------|---------------------------|---------------------------|--------------------------|
| | <i>Appropriation</i> | <i>Expended</i> | <i>Balance</i> |
| Personal Services | \$ 4,537,123 | \$ 4,537,073 | \$ 50 |
| State Retirement | .523,565 | 523,558 | .7 |
| Social Security | .340,300 | .339,023 | .1,277 |
| Contractual Services | .680,112 | .674,523 | .5,589 |
| Travel | .73,000 | .68,987 | .4,013 |
| Commodities | .11,640 | .6,896 | .4,744 |
| Printing | .25,000 | .24,100 | .900 |
| Equipment | .124,360 | .123,509 | .851 |
| EDP | .116,000 | .115,789 | .211 |
| Telecommunications | .56,000 | .52,407 | .3,593 |
| Operation of Automotive Equipment | .3,000 | .2,172 | .828 |
| Audits/Studies/Investigations* | <u>.18,109,995</u> | <u>.16,406,900</u> | <u>.1,703,095</u> |
| TOTAL | <u>.24,600,095</u> | <u>.22,874,937</u> | <u>.1,725,158</u> |

**Audit Expense Fund*

PERSONAL INFORMATION PROTECTION ACT COMPLIANCE

The Auditor General's Office has taken measures to comply with the requirements of the Personal Information Protection Act (815 ILCS 530 et seq.). During calendar year 2007 no breaches of security of system data or written materials occurred. Further, standard contract provisions were amended to require all contractors to encrypt or redact any confidential information on all networks, servers, computers and other electronic media or storage devices.

FINANCIAL AUDITS AND COMPLIANCE EXAMINATIONS

FOR THE PERIOD(S) ENDING
JUNE 30, 2006, SEPTEMBER 30, 2006, DECEMBER 31, 2006, and APRIL 30, 2007

F = Financial Audits C = Compliance Attestation Examinations S = Single Audits

| AGENCY | F | S | C | DATE RELEASED |
|---|----------|----------|----------|--------------------------|
| Attorney General | | | x | 03-06-07 |
| Capital Development Board | x | | x | 04-19-07 |
| Chicago State University | x | | | 03-20-07 |
| Chicago State University | | | x | 05-24-07 |
| Chicago State University Foundation | x | | | 02-21-07 |
| Chicago Technology Park | x | x | x | 03-22-07 |
| Comptroller - Fiscal Officer | x | | x | 03-06-07 |
| Comptroller - Non-Fiscal Officer | | | x | 03-06-07 |
| CTA (12/31/05) | | | x | 03-15-07 |
| Department on Aging | | | x | 05-10-07 |
| Department of Central Management Services | x | | x | 05-24-07 |
| Department of Central Management Services (Deferred Compensation Plan) (12/31/06) | x | | | 07-31-07 |
| Department of Children and Family Services | x | | x | 04-12-07 |
| Department of Commerce and Economic Opportunity | | | x | 04-24-07 |
| Department of Corrections - General Office (includes Dept. of Juvenile Justice for the month ending 6-30-06) | x | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Big Muddy River | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Centralia | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Danville | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Decatur Womens | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Dixon | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Dwight | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - East Moline | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Graham | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Hill | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - IL River (Canton) | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Jacksonville | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Lawrence | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Lincoln | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Logan | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Menard | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Pinckneyville | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Pontiac | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Robinson | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Shawnee | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Sheridan | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Southwestern IL | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Stateville | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Tamms | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Taylorville | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Vandalia | | | x | 06-20-07 |

FINANCIAL AUDITS AND COMPLIANCE EXAMINATIONS (CONT.)

| <i>AGENCY</i> | <i>F</i> | <i>S</i> | <i>C</i> | <i>DATE RELEASED</i> |
|--|----------|----------|----------|--------------------------|
| Dept. of Corrections, Correctional Center - Vienna | | | x | 06-20-07 |
| Dept. of Corrections, Correctional Center - Western Illinois | | | x | 06-20-07 |
| Department of Corrections, Correctional Industries | x | | x | 06-20-07 |
| Dept. of Corrections, IL Youth Center - Chicago | | | x | 06-20-07 |
| Dept. of Corrections, IL Youth Center - Harrisburg | | | x | 06-20-07 |
| Dept. of Corrections, IL Youth Center - Joliet | | | x | 06-20-07 |
| Dept. of Corrections, IL Youth Center - Kewanee | | | x | 06-20-07 |
| Dept. of Corrections, IL Youth Center - Murphysboro | | | x | 06-20-07 |
| Dept. of Corrections, IL Youth Center - Pere Marquette | | | x | 06-20-07 |
| Dept. of Corrections, IL Youth Center - St. Charles | | | x | 06-20-07 |
| Dept. of Corrections, IL Youth Center - Warrenville | | | x | 06-20-07 |
| Department of Employment Security | x | | | 04-03-07 |
| Department of Financial and Professional Regulation | x | | x | 05-24-07 |
| Department of Healthcare and Family Services | x | | x | 04-12-07 |
| Department of Human Services | x | | | 03-20-07 |
| Department of Military Affairs | | | x | 05-08-07 |
| Department of Natural Resources | x | | x | 04-10-07 |
| Department of Revenue | x | | x | 03-29-07 |
| Department of Revenue - Gaming Board | | | x | 03-29-07 |
| Department of State Police | | | x | 04-03-07 |
| Department of Transportation | x | | x | 03-20-07 |
| Department of Veterans' Affairs - General Office | | | x | 04-19-07 |
| Drycleaner Environmental Response Trust Fund Council | | | x | 04-24-07 |
| DuPage Water Commission (4/30/07) | x | | x | 10-18-07 |
| East St. Louis Financial Advisory Authority | x | | x | 03-22-07 |
| Eastern Illinois University | x | | | 01-24-07 |
| Eastern Illinois University | | x | x | 03-20-07 |
| Eastern Illinois University Alumni Association | x | | | 11/29/06 |
| Eastern Illinois University Foundation | x | | | 11/29/06 |
| Environmental Protection Agency | x | | x | 04-26-07 |
| Environmental Protection Trust Fund Commission | | | x | 04-26-07 |
| Executive Ethics Commission | | | x | 01-31-07 |
| General Assembly - Retirement System | x | | | 03-27-07 |
| General Assembly - Retirement System | | | x | 04-17-07 |
| Governors State University | x | | | 01-24-07 |
| Governors State University | | x | x | 03-20-07 |
| Governors State University Alumni Association | x | | | 01-18-07 |
| Governors State University Foundation | x | | | 01-18-07 |
| Historic Preservation Agency | | | x | 05-08-07 |
| Illinois Community College Board | | | x | 04-03-07 |
| Illinois Conservation Foundation | x | x | x | 03-22-07 |
| Illinois Finance Authority | x | | | 03-22-07 |
| Illinois Finance Authority | | | x | 05-08-07 |
| Illinois Housing Development Authority | x | | | 11-16-06 |
| Illinois Housing Development Authority | x | | x | 05-08-07 |
| Illinois Mathematics and Science Academy | x | | x | 06-05-07 |

FINANCIAL AUDITS AND COMPLIANCE EXAMINATIONS (CONT.)

| <i>AGENCY</i> | <i>F</i> | <i>S</i> | <i>C</i> | <i>DATE RELEASED</i> |
|---|----------|----------|----------|--------------------------|
| Illinois Mathematics and Science Academy Fund | x | | | 04-10-07 |
| Illinois Medical District Commission | x | | x | 04-26-07 |
| Illinois Petroleum Resources Board | | | x | 04-03-07 |
| Illinois State Board of Investment | x | | | 03-27-07 |
| Illinois State Board of Investment | | | x | 05-24-07 |
| Illinois State Toll Highway Authority - 12/31/06 | | x | | 10-04-07 |
| Illinois State University | x | | | 03-20-07 |
| Illinois State University | | x | x | 03-29-07 |
| Illinois State University Foundation | x | | | 01-24-07 |
| Illinois State University Foundation | | | x | 03-29-07 |
| Illinois Student Assistance Commission | x | | x | 03-20-07 |
| Illinois Student Assistance Commission | | | x | 04-05-07 |
| Illinois Student Assistance Commission Designated Account Purchase Program | x | | | 03-20-07 |
| Illinois Student Assistance Commission - Prepaid Tuition | x | | | 02-21-07 |
| Illinois Veterans' Home - Anna | | | x | 04-19-07 |
| Illinois Veterans' Home - LaSalle | | | x | 04-19-07 |
| Illinois Veterans' Home - Manteno | | | x | 04-19-07 |
| Illinois Veterans' Home - Quincy | | | x | 04-19-07 |
| Illinois Violence Prevention Authority | | | x | 02-21-07 |
| Illinois Workers' Comp. Comm. - Self Insurer's Fund | x | | | 03-22-07 |
| Joint Committee on Administrative Rules | | | x | 02-15-07 |
| Judges Retirement System | x | | | 03-27-07 |
| Judges Retirement System | | | x | 04-17-07 |
| Judicial Inquiry Board | | | x | 04-24-07 |
| Kankakee River Valley Area Airport Authority | x | | x | 04-10-07 |
| Law Enforcement Training Standards Board | | | x | 02-15-07 |
| Legislative Ethics Commission | | | x | 02-15-07 |
| Legislative Information Systems | | | x | 01-31-07 |
| Legislative Inspector General | | | x | 02-15-07 |
| Metra (12/31/05) | | | x | 03-15-07 |
| Northeastern Illinois University | x | | | 01-24-07 |
| Northeastern Illinois University | | | x | 02-15-07 |
| Northeastern Illinois University Foundation | x | | | 11-29-06 |
| Northern Illinois University | x | | | 01-31-07 |
| Northern Illinois University | | x | x | 03-08-07 |
| Northern Illinois University Alumni Association | x | | | 11-29-06 |
| Northern Illinois University Alumni Association | | | x | 03-08-07 |
| Northern Illinois University Foundation | x | | | 11-29-06 |
| Northern Illinois University Foundation | | | x | 03-08-07 |
| Pace (12/31/05) | | | x | 03-15-07 |
| Pollution Control Board | | | x | 02-21-07 |
| Prisoner Review Board | | | x | 04-05-07 |
| Procurement Policy Board | | | x | 02-15-07 |
| Property Tax Appeal Board | | | x | 01-31-07 |
| RTA (12/31/05) | | | x | 03-15-07 |

FINANCIAL AUDITS AND COMPLIANCE EXAMINATIONS (CONT.)

| <i>AGENCY</i> | <i>F</i> | <i>S</i> | <i>C</i> | <i>DATE RELEASED</i> |
|--|----------|----------|----------|--------------------------|
| Secretary of State | x | | | 03-06-07 |
| Sex Offender Management Board | | | x | 04-19-07 |
| Southern IL University | x | x | x | 03-22-07 |
| Southern IL University - Carbondale Alumni Association | x | | | 02-08-07 |
| Southern IL University - Carbondale Foundation | x | | | 02-08-07 |
| Southern IL University - Carbondale Evergreen Terrace | x | | | 03-22-07 |
| Southern IL University - Edwardsville Alumni Association | x | | | 02-08-07 |
| Southern IL University - Edwardsville Foundation | x | | | 02-08-07 |
| Southern IL University - Physicians & Surgeons, Inc. | x | | | 02-08-07 |
| Southern IL University - Research Park | x | | | 02-08-07 |
| Southern IL University - University Park | x | | | 02-08-07 |
| Southwestern Illinois Development Authority | | | x | 04-19-07 |
| State Appellate Defender | | | x | 03-20-07 |
| State Board of Education | x | | x | 04-05-07 |
| State Employees' Retirement System | x | | | 03-27-07 |
| State Employees' Retirement System | | | x | 04-17-07 |
| State Fire Marshal | | | x | 06-05-07 |
| State Police Merit Board | | | x | 01-31-07 |
| State Universities Retirement System | x | | | 03-27-07 |
| State Universities Retirement System | | | x | 04-17-07 |
| State's Attorney's Appellate Prosecutor | | | x | 01-31-07 |
| Statewide Single Audit - (Federal Funds) | x | x | x | 07-26-07 |
| Teachers' Retirement System | x | | | 03-27-07 |
| Teachers' Retirement System | | | x | 04-17-07 |
| Treasurer - Bright Start College Savings Program | x | | | 12-12-06 |
| Treasurer - Fiscal Officer | x | | x | 03-06-07 |
| Treasurer - Illinois Funds | x | | | 12-12-06 |
| Treasurer - Change Over Audit | x | | x | 05-24-07 |
| University of Illinois | x | | | 01-24-07 |
| University of Illinois | | x | x | 03-08-07 |
| University of Illinois Alumni Association | x | | | 11-16-06 |
| University of Illinois Alumni Association | | | x | 03-08-07 |
| University of Illinois Foundation | x | | | 12-12-06 |
| University of Illinois Foundation | | | x | 03-08-07 |
| University of Illinois - Prairieland Energy, Inc. | x | | | 01-18-07 |
| University of Illinois - Prairieland Energy, Inc. | | | x | 03-08-07 |
| University of Illinois - Research Park, LLC | x | | | 02-08-07 |
| University of Illinois - Research Park, LLC | | | x | 03-08-07 |
| University of Illinois - Ventures, LLC | x | | | 01-24-07 |
| University of Illinois - Ventures, LLC | | | x | 03-08-07 |
| University of Illinois - Wolcott, Wood & Taylor, Inc. | x | | | 11-16-06 |
| University of Illinois - Wolcott, Wood & Taylor, Inc. | | | x | 03-08-07 |
| Western Illinois University | x | | x | 05-08-07 |
| Western Illinois University Foundation | x | | | 03-29-06 |



PERFORMANCE AUDITS, INQUIRIES, & SPECIAL REPORTS

AUDITS IN PROGRESS

- Pilsen-Little Village Community Mental Health Center, Inc.
- Illinois State Police's Division of Forensic Services
- Medicaid Claims Processing and Prompt Payment Act Interest
- DHS Office of Inspector General
- Village of Robbins' Use of Municipal Economic Development Funds

| | | | |
|-------|---|-------|---|
| 10/07 | Inventory of State Programs | 2/06 | State Employee Travel - Modes of Transportation between Chicago and: Bloomington, Carbondale, Champaign-Urbana, Macomb, and Springfield |
| 8/07 | Funding Provided by or through the State of Illinois to the Chicago Project for Violence Prevention for the CeaseFire Program | 7/05 | Village of Robbins' Use of Municipal Economic Development Funds |
| 8/07 | Payments to the Illinois Hispanic Chamber of Commerce by State Agencies | 5/05 | The Illinois School District Liquid Asset Fund Plus |
| 7/07 | Village of Robbins' Use of Municipal Economic Development Funds | 12/04 | Department of Human Services' Office of the Inspector General |
| 4/07 | Rend Lake Conservancy District Follow-up Report | 9/04 | Rend Lake Conservancy District |
| 3/07 | Mass Transit Agencies of Northeastern Illinois: RTA, CTA, Metra, and Pace | 9/04 | Illinois Aquaculture Development Fund |
| 1/07 | Department of Transportation's Aeronautics Operations | 8/04 | Village of Robbins' Use of Municipal Economic Development Funds |
| 12/06 | Department of Human Services' Office of the Inspector General | 2/04 | Department of Central Management Services' Administration of the State's Space Utilization Program |
| 9/06 | Flu Vaccine Procurement and I-SaveRx Program | 12/03 | Regulation of Grain Dealers and the Grain Insurance Fund |
| 9/06 | Village of Robbins' Use of Municipal Economic Development Funds | 11/03 | Grade Crossing Protection Fund |
| 8/06 | Department of Financial and Professional Regulation's Disciplining of Physicians | 9/03 | Village of Robbins' Use of Municipal Economic Development Funds |
| 6/06 | Department of Central Management Services' Business Enterprise Program and Department of Transportation's Disadvantaged Business Enterprise Program | 5/03 | Illinois State Toll Highway Authority |
| 3/06 | Department of Transportation's Traffic Safety Programs | 4/03 | Teachers Academy for Mathematics and Science |
| 2/06 | Department of Commerce and Economic Opportunity's Administration of Its Economic Development Programs | 1/03 | Group Workers Compensation Self-Insured Pools |
| | | 12/02 | DHS Office of the Inspector General |
| | | 8/02 | Village of Robbins' Use of Municipal Economic Development funds |
| | | 8/02 | Department of Human Services' Early Intervention Program |
| | | 7/02 | Department of Public Aid's KidCare Program |
| | | 4/02 | Department of Human Services Early Intervention Program Follow-up |
| | | 4/02 | States Construction Contracting Methods |
| | | 1/02 | Agency Use of Internet User Technology |
| | | 10/01 | EPA's Vehicle Emissions Testing Program |
| | | 9/01 | Illinois Health Facilities Planning Board |
| | | 8/01 | Board of Education and Other State Agencies Providing Funding to Regional Offices of Education |
| | | 6/01 | Village of Robbins' Use of Municipal Economic Development Funds |

PERFORMANCE AUDITS, INQUIRIES, & SPECIAL REPORTS (CONT.)

| | | | |
|-------|--|-------|---|
| 5/01 | Tuition & Fee Waivers Follow-up | 4/93 | Early Intervention Services System |
| 12/00 | DHS Office of the Inspector General | 4/93 | User Fees |
| 6/00 | Municipal Economic Development Fund Distributions: Village of Robbins | 11/92 | DMHDD: Abuse & Neglect |
| | | 7/92 | St. Anne's Lease |
| 3/00 | Department of Public Aid: Child Support State Disbursement Unit | 6/92 | State Police I-SEARCH Program |
| 11/99 | Illinois Math & Science Academy | 5/92 | Privatizing Weigh Stations |
| 9/99 | Department of Public Aid's Contracts with Delta Dental | 4/92 | Henry Horner's Children's Care |
| 8/99 | Pilsen-Little Village Community Mental Health Center | 3/92 | Governor's Council on Health & Physical Fitness |
| 7/99 | Medicaid Home Health Care & Regulation of Home Health Agencies | 3/92 | Case Management Practices |
| 6/99 | State Fire Marshal's Fire Investigations | 1/92 | State Legal Services |
| 5/99 | Illinois Health & Human Service Providers | 11/91 | State Regulation of Insurer Solvency |
| 12/98 | DHS: Inspector General | 8/91 | Higher Education "Systems of Systems" |
| 9/98 | Comptroller's Offset System | 7/91 | Eastern Illinois University Coal Conversion Project |
| 6/98 | Nursing Home Prescreening | 6/91 | Special Analysis: Build Illinois |
| 5/98 | IDOT's Road Construction Program | 5/91 | Availability of Obstetric Care |
| 4/98 | Tuition & Fee Waivers | 5/91 | Collection of Sales & Taxes Receivable |
| 5/97 | Professional Regulation – Physicians Regulated Under the Medical Practices Act | 5/91 | Property Forfeited Under the Illinois Controlled Substances Act |
| 12/96 | DMHDD – Office of the Inspector General | 3/91 | Illinois Competitive Access & Reimbursement Equity Program |
| 6/96 | IHSA – Site Selection for Boys Basketball Finals | 3/91 | Nutritional Services Paid by the Department of Children & Family Services |
| 4/96 | DMHDD – Reporting of Resident Abuse & Neglect | 2/91 | Illinois Multi-Year Fixed Contractual Obligations |
| 5/95 | Summer Unemployment at State Universities | 2/91 | Administrative Citations: Environmental Protection Agency |
| 2/95 | Laws Considered Obsolete | 10/90 | Project Chance Evaluation Contract |
| 1/95 | Public Aid's Child Support Program | 10/90 | Frequent Flyer Programs |
| 12/94 | Office of the Inspector General | 8/90 | Parents Too Soon Program |
| 6/94 | Toll Highway: Helicopters | 7/90 | State University Tuition & Fee Policies & Practices |
| 6/94 | DMHDD: Abuse & Neglect | 7/90 | Debt Collection Practices of Illinois & Other States |
| 5/94 | Correctional Industries | 5/90 | DMHDD: Abuse & Neglect |
| 5/94 | Central Management Services: Telecommunications | 4/90 | Veterans' Affairs Field Office Closures |
| 3/94 | Collection of Money from Circuit Clerks | 3/90 | Illinois Competitive Access & Reimbursement Equity Program |
| 1/94 | State Housing Benefits | 1/90 | Public Aid's Delta Dental |
| 5/93 | Public Aid: Property Transfers | 12/89 | Regional Transportation Authority |
| 4/93 | Office of the Inspector General | 11/89 | Illinois Sports Facilities Authority & the Chicago White Sox |

PERFORMANCE AUDITS, INQUIRIES, & SPECIAL REPORTS (CONT.)

| | | | |
|-------|---|-------|---|
| 11/89 | Five State Retirement Systems' Financial Status | 11/85 | Data Security Practices |
| 10/89 | Feasibility of Consolidating State Revenue Bond Agencies | 11/85 | Hazardous Waste Management |
| 7/89 | Commerce & Community Affairs' Economic Development Programs | 9/85 | Management & Collection of Claims Receivable |
| 5/89 | EPA's Hazardous Waste Mgmt. Program | 3/85 | Perinatal Medical Care |
| 4/89 | Selected Auditor Comparability: Jobs & Pay | 10/84 | State Employee Travel |
| 2/89 | AIDS Testing: Statutory Requirements & Costs | 10/84 | Feasibility Study: Rock Island Co. Facility |
| 1/89 | Public Univ. Instructional Costs | 9/84 | Employment Security Unemployment Insurance |
| 1/89 | Vehicle Emissions Testing Program | 8/84 | Salaried Non-working Time Benefits |
| 10/88 | U of I Athletic Association | 8/84 | Responsible Relative Requirements |
| 8/88 | JTPA | 5/84 | Board of Investment: Five State Retirement Systems |
| 7/88 | Audit Status of Circuit Courts | 10/83 | Commerce Comm.: Management Audits of Public Utilities |
| 6/88 | Dept. of Revenue - Corporate Income Tax | 5/83 | Contractual Legal Services |
| 5/88 | State Program of Internal Auditing | 4/83 | Industrial Commission |
| 7/87 | Computer Acquisition & Use in Higher Education | 12/82 | Procurement Policies & Procedures |
| 6/87 | Chicago Housing Authority | 7/82 | Criminal History Components |
| 6/87 | Cash Management Practices | 4/82 | Financing of Improvements of Rock Island State Park |
| 4/87 | State Laboratory Services | 1981 | Chicago Road Fund |
| 4/87 | U of I Hospital & Affiliated Clinics | 12/81 | DMHDD: Region 2 |
| 4/87 | Chicago's Use of State Appropriated Funds | 11/81 | Procurement of Real Property |
| 10/86 | State Pensions Assets Investment Performance | 10/81 | Registration & Education: Investigation & Enforcement Functions |
| 10/86 | CMS – Lottery Building Lease | 1/81 | Licensing & Regulation of Bingo |
| 10/86 | Property Management Problems – Mental Health Centers | 1/81 | Chicago Bd. of Education |
| 5/86 | Illinois Preferential Procurement Programs | 12/80 | Nursing Home Reimbursement System |
| 4/86 | State Toxicology Lab | 12/80 | DCFS Day Care Activities |
| 4/86 | Legislative Printing Unit | 11/80 | Dept. of Personnel Management |
| 4/86 | Engineering Programs in Illinois – NIU | 10/80 | Public Aid's Local Office Management |
| 3/86 | Claims & Accounts Receivable | 9/80 | Licensing of Grain Dealers |
| 3/86 | Capital Development Board: Construction of the State of Illinois Center | 7/80 | Illinois Fair Employment Practices Commission |
| 2/86 | Illinois Commerce Commission | 6/80 | Secretary of State Vending Services |
| 2/86 | Advisory Boards & Commissions | 5/80 | Coastal Zone Management |
| | | 1/80 | Court of Claims |
| | | 1/80 | Cook Co. Health & Hospitals |



AUDITS

