

48400



ILLINOIS STATE POLICE
Office of the Director

Rod R. Blagojevich
Governor

April 27, 2007

Larry G. Trent
Director

Auditor General William G. Holland
Iles Park Plaza
740 East Ash Street
Springfield, Illinois 62703

Dear Auditor General Holland:

An evaluation of the internal accounting and administrative controls of the Illinois State Police (ISP) utilizing cutoff date of December 31, 2006, was performed as required by the Fiscal Control and Internal Auditing Act, Article 3, Section 3003, and was conducted in accordance with guidelines established by the Comptroller, in consultation with the Director of the Department of Central Management Services.

The objectives of the systems of the internal accounting and administrative controls of the ISP are to provide reasonable assurance that:

1. Resources are utilized efficiently, effectively, and in compliance with applicable law;
2. Obligations and costs are in compliance with applicable law;
3. Funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation;
4. Revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources; and
5. Funds held outside the State Treasury are managed, used, and obtained in strict accordance with the terms of their enabling authorities and that no unauthorized funds exist.

The concept of reasonable assurance recognizes the cost of inherent control should not exceed the benefits expected to be derived therefrom, and the benefits consist of reductions in the risks of failing to achieve the stated objectives. Estimates and judgements are required to assess the expected benefits and related costs of control procedures. Furthermore, errors or irregularities may occur and not be detected because of inherent limitations in any system of internal accounting and administrative control, including those limitations resulting from resource constraints, legislative restrictions, and other factors.

Finally, projection of any evaluation of the system to future periods is subject to the risk that procedures may be inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate. Nonetheless, I have taken the necessary measure to assure the evaluation, identified in the first paragraph, has been conducted in a thorough and conscientious manner. This included a review of all recent external and internal audits completed prior to this certification or which included the 2006 calendar year.

The systems of internal accounting and administrative controls of the ISP comply with our understanding of the requirements of this Act with the exceptions of:

- Executive Order 2004-4 Executive Reorganization Implementation Act,
- timely voucher processing and contract agreement approvals,
- change management procedures, and project management framework
- disaster recovery contingency plan updates.

I endorse and support the improvement actions underway and recommend the committee's Corrective Action Plans. Attachments A through F to this letter are the Corrective Action Plans which outline the actions that have been or will be taken to correct the weaknesses.

Sincerely,



Larry G. Trent
Director

Attachments