OFFICE OF THE LIEUTENANT GOVERNOR

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

Release Date: February 28, 2012

Summary of Findings:
Total this audit: 2
Total last audit: 1
Repeated from last audit: 0

SYNOPSIS

• The Office of the Lieutenant Governor did not have adequate controls over the recording and reporting of State property

• The Office of the Lieutenant Governor did not exercise adequate controls over voucher processing

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

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditures</td>
<td>$746,195</td>
<td>$182,927</td>
<td>$2,366,093</td>
</tr>
<tr>
<td>OPERATIONS TOTAL</td>
<td>$746,195</td>
<td>$112,700</td>
<td>$1,781,285</td>
</tr>
<tr>
<td>% of Total Expenditures</td>
<td>100.0%</td>
<td>61.6%</td>
<td>75.3%</td>
</tr>
<tr>
<td>GRANTS TOTAL</td>
<td>-</td>
<td>$70,227</td>
<td>$584,808</td>
</tr>
<tr>
<td>% of Total Expenditures</td>
<td>0.0%</td>
<td>38.4%</td>
<td>24.7%</td>
</tr>
<tr>
<td>Average Number of Employees</td>
<td>14</td>
<td>7</td>
<td>18</td>
</tr>
</tbody>
</table>

Note: The above information regarding the number of employees within the Office are annual averages. There were no employees of the Office for the period beginning August 7, 2010 and ending January 10, 2011.

## AGENCY DIRECTOR

During Examination Period: Honorable Sheila Simon (1/10/11 - Present) ; Vacant (1/29/09 - 1/10/11)

Currently: Honorable Sheila Simon
FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INADEQUATE CONTROLS OVER STATE PROPERTY

The Office of the Lieutenant Governor (Office) did not have adequate controls over its recording and reporting of State property.

Some of the matters noted in our testing follow:

The Office could not locate $156,000 of State property
- The Office could not locate State property with an original cost of $156,000 during its June 2011 inventory certification. (Finding 1, pages 10-11)

Quarterly Property reports were not filed
- The Office did not file 4 of the 8 (50%) required Quarterly State Property Reports and filed one (13%) report late.
- State property items were not reported or incorrectly reported on the Quarterly State Property Report. (Finding 1, pages 10-11)

We recommended the Office comply with Statewide Accounting Management Systems (SAMS) requirements in the preparation of the Quarterly Fixed Asset Reports and devote adequate resources to ensure property records are maintained and updated timely.

Office agrees with auditors
Officials from the Office agreed with the finding. The Office will revise its procedures accordingly and will take the necessary measures to ensure compliance with SAMS requirements.

INADEQUATE CONTROLS OVER VOUCHER PROCESSING

The Office of the Lieutenant Governor did not exercise adequate controls over voucher processing.

Some of the matters noted in our testing follow:

Vouchers were approved late
- Twelve of 97 (12%) vouchers, totaling $11,065 were not approved within 30 days.
- Twelve of 97 (12%) vouchers, totaling $25,969 included invoices that were not date stamped.

Required interest was not paid
- Required interest totaling $834 was not paid on 3 of 97 (3%) vouchers tested.

Payroll vouchers were not appropriately approved
- Four of 14 (29%) payroll vouchers tested totaling $80,859 were not approved by an authorized signer. (Finding 2, pages 12-13)
Office agrees with auditors

We recommended the Office strengthen controls over voucher processing to ensure invoices are processed timely and properly approved.

Officials from the Office agreed with the finding. The Office will strengthen internal controls regarding voucher processing to ensure invoices are processed timely and properly approved.

AUDITORS’ OPINION

We conducted a compliance examination of the Office of the Lieutenant Governor as required by the Illinois State Auditing Act. We have not audited any financial statements of the Office for the purpose of expressing an opinion because the Office does not, nor is it required to, prepare financial statements.

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WILLIAM G. HOLLAND
Auditor General

WGH:CAE:rt

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors on this examination were McGreal & Company, PC.