



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

OFFICE OF THE ATTORNEY GENERAL

Compliance Examination
 For the Two Years Ended June 30, 2018

Release Date: January 29, 2019

FINDINGS THIS AUDIT: 1				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Category 1:	0	0	0	No Repeat Findings			
Category 2:	1	0	1				
Category 3:	0	0	0				
TOTAL	1	0	1				
FINDINGS LAST AUDIT: 0							

SYNOPSIS

- (18-01) The Office did not exercise adequate control over the recording and reporting of its State property and equipment.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.
Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Expenditures and Activity Measures are summarized on next page.}

**OFFICE OF THE ATTORNEY GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018**

EXPENDITURE STATISTICS	2018	2017	2016
Total Expenditures.....	\$ 114,196,164	\$ 80,379,885	\$ 82,957,554
OPERATIONS TOTAL.....	\$ 73,569,624	\$ 62,499,835	\$ 64,236,283
% of Total Expenditures.....	64.4%	77.8%	77.4%
AWARDS AND GRANTS.....	\$ 40,626,540	\$ 17,880,050	\$ 18,721,271
% of Total Expenditures.....	35.6%	22.2%	22.6%
Total Receipts.....	\$ 66,509,768	\$ 58,364,340	\$ 42,221,604
Average Number of Employees.....	732	720	716

SELECTED ACTIVITY MEASURES (Not examined)	2018	2017	2016
Total Accounts Receivable (In Thousands).....	\$ 59,169	\$ 89,842	\$ 45,794
Total Allowance for Doubtful Accounts (In Thousands).....	\$ 33,276	\$ 15,823	\$ 12,673

ATTORNEY GENERAL
During Examination Period: Honorable Lisa Madigan Currently: Honorable Kwame Raoul

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER PROPERTY AND
EQUIPMENT**

The Office did not exercise adequate control over the recording and reporting of its State property and equipment.

We noted the following:

Equipment was not timely and accurately recorded on property records

- Four of 8 (50%) Agency Report of State Property (C-15) forms were inaccurate and resulted in a net misstatement of \$61,874 in additions for FY18.
- Equipment from 2 of 40 (5%) property vouchers and 21 of 40 (53%) additions were added to property records 32 to 350 days after receipt or not at all.
- Twenty-two of 40 (55%) property deletions were removed from records 103 to 617 days after property was sent to surplus.
- One of 40 (3%) property items was not tagged.
- Three of 40 (8%) items from property records could not be physically located. In addition, the location of one laptop differed from property records.
- One of 40 (3%) items, a laptop computer, could not be located on property records.
- For 6 of 40 (15%) surplus property items, the acquisition date or cost were not accurately reported on Surplus Property Delivery Forms. (Finding 1, pages 9-12).

We recommended the Office ensure accurate C-15 reports are filed. Further, we recommended the Office strengthen controls and procedures to ensure all property and equipment additions are appropriately tagged and timely recorded in property records, deletions are timely removed from property records, and Surplus Property Delivery forms are properly completed. Additionally, we recommended the office ensure all property items located at the Office are properly recorded in property records and all items recorded in property records are physically possessed by the Office.

Office management agrees

Office management agreed with the finding and stated they identified the causes of the issues in the finding and have begun to address them through staffing changes and technological improvements.

We will review the Agency's progress towards the implementation of our recommendation in our next compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Office for the two years ended June 30, 2018, as required by the Illinois State Auditing Act. The accountants stated the Agency complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by West and Company LLC.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:lkw