



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

EXECUTIVE ETHICS COMMISSION

COMPLIANCE ATTESTATION EXAMINATION

For the Year Ended: June 30, 2011

Release Date: April 17, 2012

Summary of Findings:

Total this audit: 3

Total last audit: 0

Repeated from last audit: 0

SYNOPSIS

- The Executive Ethics Commission did not exercise adequate control over the reporting of State property.
- The Executive Ethics Commission failed to ensure emergency procurement affidavits were filed as required by the Illinois Procurement Code.
- The Executive Ethics Commission did not exercise adequate control over its voucher processing.

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

**EXECUTIVE ETHICS COMMISSION
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2011**

EXPENDITURE STATISTICS	2011	2010
Total Expenditures.....	\$ 4,396,836	\$ 440,726
OPERATIONS TOTAL.....	\$ 4,396,836	\$ 440,726
% of Total Expenditures.....	100.0%	100.0%
Personal Services.....	3,687,977	226,431
Other Payroll Costs (FICA, Retirement).....	277,115	23,965
All Other Operating Expenditures.....	431,744	190,330
Total Receipts.....	\$ 444	\$ -
Average Number of Employees.....	55	2

AGENCY DIRECTOR	
During Examination Period:	Mr. Chad Fornoff
Currently:	Mr. Chad Fornoff

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

**INADEQUATE CONTROLS OVER THE REPORTING
OF STATE PROPERTY**

Property reports overstated

The Executive Ethics Commission (Commission) did not exercise adequate control over the reporting of State property. During testing, we noted the Quarterly Reports of State Property (C-15s) prepared by the Commission and submitted to the Office of the State Comptroller (Comptroller) did not agree to property control records maintained by the Commission.

We recommended the Commission ensure all Quarterly Reports of State Property submitted to the State Comptroller's Office trace to Commission records. (Finding 1, pages 9-10)

Commission officials agreed with our recommendation.

Commission agrees with the auditors

**FAILURE TO ENSURE EMERGENCY
PROCUREMENT AFFIDAVITS WERE FILED**

**Affidavits not filed timely with the
Procurement Policy Board and/or
the Office of the Auditor General**

The Commission failed to ensure emergency procurement affidavits were filed as required by the Illinois Procurement Code. During testing we noted:

- Affidavits for 5 of 23 (22%) emergency procurements tested, totaling \$19,816,805, were not filed timely with the Procurement Policy Board. The affidavits in these instances were filed 2 to 80 days late.
- Affidavits for 6 of 23 (26%) emergency procurements tested, totaling \$2,134,140, were not filed timely with the Office of the Auditor General. The affidavits in these instances were filed 2 to 10 days late.
- Affidavits for 2 of 23 (9%) emergency procurements tested, totaling \$287,961, were not filed with the Office of the Auditor General at all.

We recommended that the Commission implement procedures to ensure all emergency procurement affidavits are filed timely with the Procurement Policy Board and the Office of the Auditor General. (Finding 2, pages 11-12)

Commission officials and Chief Procurement Officers agreed with our recommendation.

Commission agrees with the auditors

**INADEQUATE CONTROLS OVER VOUCHER
PROCESSING**

The Commission did not exercise adequate control over its

voucher processing. We noted:

Inaccurate interest penalty payments

- Five of 63 (8%) vouchers tested, totaling \$54,313, did not result in accurate subsequent interest payments to vendors. We noted these vouchers were paid late, and interest penalty payments were made to vendors as required by the State Prompt Payment Act (Act) (30 ILCS 540/3-2). However, we noted the interest penalty payments were not calculated properly, and as a result, vendors were underpaid a total of \$323 for these 5 instances identified during testing.

Incorrect detail object codes

- Three of 63 (5%) vouchers tested, totaling \$1,786, were not coded with proper detail object code.

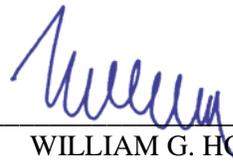
We recommended the Commission review its procedures for calculating required interest penalty payments to ensure proper dates are used. Further, we recommended the Commission implement and maintain controls to ensure vouchers are coded with the correct Statewide Accounting Management System detail object code. (Finding 3, page 13)

Commission agrees with the auditors

Commission officials agreed with our recommendation.

AUDITORS' OPINION

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



WILLIAM G. HOLLAND
Auditor General

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AUDITORS ASSIGNED

The compliance examination was performed by the Office of the Auditor General's staff.