



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

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**EXECUTIVE ETHICS COMMISSION**

**COMPLIANCE ATTESTATION EXAMINATION**

**For the Year Ended: June 30, 2013**

**Release Date: May 15, 2014**

**Summary of Findings:**

**Total this audit: 2**

**Total last audit: 2**

**Repeated from last audit: 1**

**SYNOPSIS**

- Required contract information was not posted to the awarding agency's website.
- The Chief Procurement Officers for General Services, Higher Education, and the Capital Development Board failed to ensure emergency procurement procedures were properly administered as required.

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

**EXECUTIVE ETHICS COMMISSION  
COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2013**

<b>EXPENDITURE STATISTICS</b>	<b>2013</b>	<b>2012</b>
<b>Total Expenditures.....</b>	<b>\$ 6,569,377</b>	<b>\$ 6,563,705</b>
OPERATIONS TOTAL.....	6,569,377	6,563,705
% of Total Expenditures.....	100.0%	100.0%
<b>Total Receipts.....</b>	<b>\$ 24,656</b>	<b>\$ 241</b>
<b>Average Number of Employees.....</b>	<b>78</b>	<b>76</b>

<b>SELECTED ACTIVITY MEASURES (Not Examined)</b>	<b>2013</b>	<b>2012</b>
<b>Chief Procurement Officers</b>		
Number of procurements procured.....	8,740	8,000
Total dollar value of procurements procured....	\$ 19,317,200,000	\$ 9,682,000,000
<b>Procurement Compliance Monitors</b>		
Number of procurements reviewed.....	672	2,244
Total dollar value of procurements reviewed...	\$ 2,423,800,000	\$ 2,709,000,000
Number of issues reviewed.....	186	663

<b>AGENCY DIRECTOR</b>	
During Examination Period:	Mr. Chad Fornoff
Currently:	Mr. Chad Fornoff

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**CONTRACT INFORMATION NOT POSTED  
ELECTRONICALLY**

**Notices of awarded contracts not  
posted to website**

The General Services Chief Procurement Officer (CPO), under jurisdiction of the Executive Ethics Commission (Commission), failed to ensure that contract information was posted electronically as required by the Illinois Procurement Code (Code). We noted the notice of the awarded contract was not posted on the awarding agency's website for 18 of 40 (45%) contracts tested, totaling \$46,824,624. (Finding 1, page 9)

We recommended the General Services CPO implement procedures to ensure procurement procedures are properly administered for all contracts awarded.

**CPO agrees with auditors**

The General Services CPO agreed with our recommendation but noted he does not control agency websites.

**FAILURE TO ENSURE EMERGENCY  
PROCUREMENT PROCEDURES WERE PROPERLY  
ADMINISTERED**

The Chief Procurement Officers (CPOs), under jurisdiction of the Commission, failed to ensure emergency procurement procedures were properly administered as required by the Code. Some of the conditions we noted follow:

**Affidavits not filed or not filed  
timely**

- Affidavits for 12 of 40 (30%) emergency procurements tested, totaling \$1,446,199, were filed 1 to 79 days late with the Office of the Auditor General.
- Affidavits for 3 of 40 (8%) emergency procurements tested, totaling \$237,243, were not filed timely with the Procurement Policy Board, and the related notices were not published to the online electronic Bulletin timely. The affidavits in these instances were filed 3 to 51 days late, and the notices in these instances were published 4 to 41 days late.
- Affidavits for 3 of 40 (8%) emergency procurements tested, totaling \$1,538,672, were not filed with the Office of the Auditor General at all. (Finding 2, pages 10-12) **This finding was first reported in 2011.**

**Notices not published to the  
electronic procurement Bulletin  
timely**

We recommended the CPOs implement procedures to ensure the emergency procurement process is properly administered in accordance with the Code.

**CPOs agree with the auditors**

The CPOs accepted our recommendation and reported they have taken corrective action. *(For the previous Commission response, see Digest Footnote #1.)*

**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.



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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.

**DIGEST FOOTNOTES**

**#1 – INADEQUATE ADMINISTRATION OF EMERGENCY PROCUREMENT**

This finding relates to a function and responsibility solely within the control of the Chief Procurement Officers (CPOs) and the Commission refers this finding to them for their responses.

Each CPO agrees that the Procurement Code should be interpreted as consistently as possible among the four offices. Although the Code should be interpreted consistently by each office, internal processing steps may differ to reflect the specific organizational structure and capabilities of each office and constituent agency. The CPOs do have the same basic understanding for determining the award date for emergency procurements. We agree that the earlier of the date the vendor was told to perform or the date of the contract sets the date. These dates are easy to understand and easy to determine. Policies do or will be modified to better reflect use of these dates to start the counts for publication of notices and submission of affidavits.

Given the number of agencies and the potential for emergency situations we have not contemplated, awards may be made at times other than called for under the standard practice. In those cases the award date would need to be specially documented and that date used to start the clock for

publication and other compliance actions.

*CPO of General Services Response:*

The CPO of General Services has implemented procedures to ensure the emergency procurement process is administered in accordance with the Illinois Procurement Code. Procedures include the adoption of administrative rules which provide guidance to State Purchasing Officers and state agencies and adoption of a State Purchasing Officer Determination Form to evidence the determination of the contract award.

*CPO of Higher Education Response:*

The CPO of Higher Education issued a procedure in April 2013 to address better issues that had been brought to our attention. We will make revisions as needed to address issues as they arise.

*CPO of Capital Development Board Response:*

The role of the CPO of the Capital Development Board in emergency procurement had previously included both the DCPO and SPO. The CPO office has implemented new procedures to centralize the process under the SPO to prevent a recurrence of this circumstance.