



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

EXECUTIVE ETHICS COMMISSION

Compliance Examination
 For the Year Ended June 30, 2017

Release Date: August 29, 2018

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:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	1	0	1				
FINDINGS LAST AUDIT: 0							

SYNOPSIS

- (17-01) The Commission did not exercise adequate control over its accounts receivable collection activities.

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.}

**EXECUTIVE ETHICS COMMISSION
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2017**

EXPENDITURE STATISTICS	2017	2016
Total Expenditures	\$ 5,491,217	\$ 5,279,871
OPERATIONS TOTAL	\$ 5,491,217	\$ 5,279,871
% of Total Expenditures.....	100.0%	100.0%
Personal Services.....	4,981,345	4,922,110
Other Payroll Costs (FICA, Retirement).....	359,872	357,761
All Other Operating Expenditures.....	150,000	-
Total Receipts	\$ 5,786	\$ 13,138
Average Number of Employees (Not Examined)	67	64

SELECTED ACTIVITY MEASURES (Not Examined)	2017	2016
<u>Chief Procurement Officers</u>		
Number of procurements procured.....	7,832	7,613
Total dollar value of procurements procured.....	\$ 7,337,700,000	\$ 10,222,500,000
<u>Illinois Procurement Gateway</u>		
Number of applications reviewed.....	5,794	4,265
Number of support requests received and resolved.....	2,882	551

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

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE CONTROL OVER ACCOUNTS
RECEIVABLE**

The Commission did not exercise adequate control over its accounts receivable collection activities.

During testing, we noted the following:

**Past due accounts not referred to the
Debt Collection Bureau**

- Eight of eight (100%) past due accounts receivable at June 30, 2017, totaling \$5,302, had not been referred to the Department of Revenue's Debt Collection Bureau (Bureau). The past due accounts ranged from 619 to 3,292 days old as of June 30, 2017.

**Inadequate method for estimating
uncollectible accounts**

- The Commission has an inadequate method of estimating uncollectible accounts in its accounts receivable process. (Finding 1, pages 8-9)

We recommended the Commission pursue all reasonable and appropriate procedures to collect on outstanding debts, including referring qualifying delinquent debt to the Bureau. Further, we recommended the Commission review its method of estimating uncollectible accounts to ensure it is fair and reasonable.

Commission agrees with auditors

Commission officials agreed with the recommendation.

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

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Commission for the year ended June 30, 2017, as required by the Illinois State Auditing Act. The accountants stated the Commission complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by the Office of the Auditor General's staff.

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:APA