



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**EXECUTIVE ETHICS COMMISSION**

State Compliance Examination  
 For the Two Years Ended June 30, 2021

Release Date: April 27, 2023

FINDINGS THIS AUDIT: 6				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>
<b>Category 1:</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>No Repeat Findings</b>			
<b>Category 2:</b>	<b>5</b>	<b>0</b>	<b>5</b>				
<b>Category 3:</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>TOTAL</b>	<b>6</b>	<b>0</b>	<b>6</b>				
<b>FINDINGS LAST AUDIT: 0</b>							

**SYNOPSIS**

- **(21-1)** The Commission did not maintain adequate controls over personal services.
- **(21-2)** The Commission did not exercise adequate control over voucher processing.
- **(21-3)** The Commission did not maintain adequate controls over its equipment and related records.

**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.

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

### **INADEQUATE CONTROL OVER PERSONAL SERVICES**

The Executive Ethics Commission (Commission) did not maintain adequate controls over personal services. Some of the more significant conditions we noted are described below:

#### **Form I-9 not completed and/or signed timely**

- During our testing of Employment Eligibility Verification Forms (Form I-9) for six employees, we noted the following:
  - Two (33%) employees tested did not sign Section 1 of the Form I-9 by the end of their first day of employment. The employees signed 3 and 31 days late.
  - For one (17%) employee tested, Section 2 of the Form I-9 was not completed.
  - For one (17%) employee tested, Section 2 of the Form I-9 was signed by the Commission 38 days after the first day of employment.

#### **Reports filed late**

- Two of 2 (100%) *Agency Workforce Reports* were submitted to the Governor 1 and 47 days late.

#### **Inaccuracies in reports**

- The Commission reported amounts on its Fiscal Year 2019 and Fiscal Year 2020 *Agency Workforce Reports* which did not agree to Commission provided supporting documentation. We noted differences ranging from an overstatement of 3 employees to an understatement of 6 employees in 32 categories.

#### **Incomplete personnel files**

- During our testing of 21 personnel files, we noted the following:
  - Three (14%) personnel files selected for testing did not contain the employee's resume, which is utilized by the Commission as an application for employment.
  - Four (19%) personnel files selected for testing did not contain documentation to support the employee's current, or ending, gross pay.
  - In addition, we noted many documents required to perform testing were not maintained in the employee personnel files selected for testing, including 18 of 42 (43%) performance evaluations and 2 of 21 (10%) resumes. These documents were later provided to the auditors and were tested at that time. (Finding 1, pages 10-13)

We recommended the Commission ensure the Form I-9 is properly and timely completed for all newly hired employees and ensure its *Agency Workforce Reports* are accurately and

filed timely. We also recommended the Commission ensure personnel files are complete and updated routinely, strengthen its review of employees' accumulated leave time, and ensure performance evaluations are timely performed and appropriately documented in the personnel file. Further, we recommended the Commission ensure all employees required to file Statements of Economic Interests and/or complete procurement training do so.

**Commission accepted recommendations**

Commission officials accepted the recommendations and indicated action has been taken to implement the recommendations.

**INADEQUATE CONTROLS OVER VOUCHER PROCESSING**

The Commission did not exercise adequate control over voucher processing. During testing, we noted the following:

**Vouchers approved late**

- Twenty-three of 113 (20%) general, lapse period, and travel vouchers tested, totaling \$1,894,896, were approved for payment 1 to 180 days late.

**Vouchers paid from wrong fiscal year**

- Six of 60 (10%) general vouchers tested, totaling \$6,649, were not charged to the correct fiscal year.

**Interest amounts not paid or not calculated accurately**

- For 4 of 60 (7%) general vouchers tested, totaling \$652,897, interest totaling \$6,102 was accrued and owed to the vendors, but the Commission either did not pay interest to the vendors or did not pay the correct amount of interest to the vendors. In total, the vendors were underpaid \$6,102 in interest penalties.

**New furniture affidavit not filed**

- A new furniture affidavit was not filed for 1 of 60 (2%) general vouchers tested, totaling \$834, where office furniture was purchased.

**Voucher amounts did not agree to supporting documents**

- The voucher amounts for 2 of 77 (3%) general and lapse period vouchers tested, totaling \$9,372, did not mathematically trace to the support provided by the Commission.

**Travel vouchers submitted late**

- Four of 53 (8%) lapse period and travel vouchers tested, totaling \$2,071, were not submitted to the Commission within 60 days of the final day of travel. The vouchers were submitted to the Commission 23 to 57 days late. (Finding 2, pages 14-16)

We recommended the Commission ensure all vouchers are timely approved for payment and charged to the correct fiscal year. We also recommended the Commission ensure all voucher amounts agree to supporting documentation and

ensure any required interest is paid timely. We further recommended the Commission ensure new furniture affidavits are filed when required. Lastly, we recommended the Commission remind travelers of the need to submit travel vouchers timely.

**Commission accepted recommendations**

Commission officials accepted the recommendations and indicated improvements to these processes are being implemented.

**INADEQUATE CONTROLS OVER EQUIPMENT AND RELATED RECORDS**

The Commission did not maintain adequate controls over its equipment and related records. We noted the following:

**Item locations did not agree to Commission records**

- During backwards testing, 19 of 40 (48%) items tested, totaling \$12,017, were physically located in a different location than reported on the Commission's property listing.

- During forwards testing, 3 of 40 (8%) items tested, totaling \$7,077, were physically located in a different location than reported on the Commission's property listing.

**Item not on annual certification or Commission records**

- During backwards testing, 1 of 40 (3%) items tested was not reported on the Commission's annual inventory certification submitted to the Department of Central Management Services (DCMS), nor was the item located on the Commission's property listing.

**No policy to delineate high-theft items**

- The Commission did not have a written policy to clearly delineate the categories of equipment considered to be subject to theft.

**Lack of documentation to substantiate IT-related items were disposed of properly**

- During testing of information technology (IT) related equipment items, we were unable to determine if 11 of 11 (100%) IT equipment items tested were disposed of in accordance with the Data Security on State Computers Act due to a lack of documentation substantiating the hard drives had been erased, wiped, sanitized, or destroyed. (Finding 3, pages 17-18)

We recommended the Commission improve its controls over equipment to ensure its related property records are accurate and up to date. In addition, we recommended the Commission adopt a written policy delineating categories of equipment considered to be subject to theft. Lastly, we recommended the Commission retain sufficient records to substantiate proper disposal of electronic data processing equipment items.

**Commission accepted  
recommendations**

Commission officials accepted our recommendations.

**OTHER FINDINGS**

The remaining findings pertain to inadequate control over reconciliations, failure to implement all provisions of the Identity Protection Act, and the lack of an adequate internal control review over service providers. We will review the Commission's progress towards the implementation of our recommendations in our next State compliance examination.

**ACCOUNTANT'S OPINION**

The accountants conducted a State compliance examination of the Commission for the two years ended June 30, 2021, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2021-001. Except for the noncompliance described in this finding, the accountants stated the Commission complied, in all material respects, with the requirements described in the report.

This State 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

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