

**STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2018

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018

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**AGENCY OFFICIALS**

|   |                        |
|---|------------------------|
| State Fire Marshal                                      | Mr. Matthew Perez      |
| Deputy Director   | Mr. Alix Armstead      |
| Chief Administrative Officer                            | Mr. Ronny Wickenhauser |
| Chief Fiscal Officer                                    | Mr. Ronny Wickenhauser |
| Chief Operating Officer (05/25/2019 through Current)    | Mr. Dale Simpson       |
| Chief Operating Officer (08/09/2016 through 05/24/2019) | Mr. Kent Tomblin       |
| Chief Operating Officer (07/01/2016 through 08/08/2016) | Vacant                 |
| Senior Policy Advisor                                   | Vacant                 |
| Chief Legal Counsel                                     | Mr. Matthew Taksin     |
| Chief Internal Auditor                                  | Mr. Martin Paul        |

The Office's administrative offices are located at:

1035 Adlai Stevenson Drive  
Springfield, Illinois 62703

100 West Randolph Street, JRTC Suite 4-600  
Chicago, Illinois 60601

2309 West Main Street  
Marion, Illinois 62959



# OFFICE OF THE ILLINOIS STATE FIRE MARSHAL

JB Pritzker, Governor  
Matt Perez, State Fire Marshal

## MANAGEMENT ASSERTION LETTER

Honorable Frank J. Mautino  
Auditor General  
740 East Ash Street  
Springfield, Illinois 62703

November 25, 2019

Auditor General Mautino:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Office of the State Fire Marshal. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the State of Illinois, Office of the State Fire Marshal's compliance with the following assertions during the two-year period ended June 30, 2018. Based on this evaluation, we assert that during the years ended June 30, 2017, and June 30, 2018, the State of Illinois, Office of the State Fire Marshal has materially complied with the assertions below.

- A. The State of Illinois, Office of the State Fire Marshal has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Office of the State Fire Marshal has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The State of Illinois, Office of the State Fire Marshal has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Office of the State Fire Marshal are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Office of the State Fire Marshal on behalf of the State or held in trust by the State of Illinois, Office of the State Fire Marshal have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.



# OFFICE OF THE ILLINOIS STATE FIRE MARSHAL

JB Pritzker, Governor  
Matt Perez, State Fire Marshal

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Yours truly,

State of Illinois, Office of the State Fire Marshal

**SIGNED ORIGINAL ON FILE**

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Matthew Perez, State Fire Marshal

**SIGNED ORIGINAL ON FILE**

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Ronny Wickenhauser, Chief Fiscal Officer

**SIGNED ORIGINAL ON FILE**

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Mathew Taksin, Chief Legal Counsel

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**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

**ACCOUNTANT’S REPORT**

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses in internal control over compliance.

**SUMMARY OF FINDINGS**

| <u>Number of</u>                                     | <u>Current</u><br><u>Report</u> | <u>Prior</u><br><u>Report</u> |
|--|---------------------------------|-------------------------------|
| Findings   | 12                              | 5                             |
| Repeated findings                                    | 2                               | 1                             |
| Prior recommendations implemented<br>or not repeated | 3                               | 4                             |

**SCHEDULE OF FINDINGS**

| <u>Item No.</u>             | <u>Page</u> | <u>Description</u>                                  | <u>Finding Type</u>                          |
|-----------------------------|-------------|---|--|
| FINDINGS (STATE COMPLIANCE) |             |   |  |
| 2018-001                    | 12          | Failure to Perform Inspections or Report Violations | Material Weakness and Material Noncompliance |
| 2018-002                    | 15          | Inadequate Control over Fees                        | Material Weakness and Material Noncompliance |
| 2018-003                    | 19          | Inadequate Control over State Property              | Material Weakness and Material Noncompliance |

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| <u>Item No.</u>                         | <u>Page</u> | <u>Description</u>  | <u>Finding Type</u>                      |
|---|-------------|---|--|
| FINDINGS (STATE COMPLIANCE) - Continued |             |   |  |
| 2018-004                                | 23          | Inadequate Control over State Vehicles                          | Significant Deficiency and Noncompliance |
| 2018-005                                | 26          | Inadequate Controls over Receipts                               | Significant Deficiency and Noncompliance |
| 2018-006                                | 29          | Inadequate Controls over Grant Agreements                       | Significant Deficiency and Noncompliance |
| 2018-007                                | 33          | Inadequate Control over Monthly Reconciliations                 | Significant Deficiency and Noncompliance |
| 2018-008                                | 35          | Weaknesses with Payment Card Industry Data Security Standards   | Significant Deficiency and Noncompliance |
| 2018-009                                | 37          | Inadequate Control over Performance Evaluations                 | Significant Deficiency and Noncompliance |
| 2018-010                                | 38          | Failure to Establish and Maintain a Statewide Arsonist Database | Significant Deficiency and Noncompliance |
| 2018-011                                | 40          | Failure to Timely Implement Statutory Changes                   | Significant Deficiency and Noncompliance |
| 2018-012                                | 43          | Untimely Inspection of Boilers and Pressure Vessels             | Significant Deficiency and Noncompliance |
| PRIOR FINDINGS NOT REPEATED             |             |   |  |
| A                                       | 44          | Noncompliance with the Illinois Finance Authority Act           |  |
| B                                       | 44          | Inadequate Controls over Computer Equipment                     |  |

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| <u>Item No.</u>                         | <u>Page</u> | <u>Description</u>   | <u>Finding Type</u> |
|---|-------------|--|---------------------|
| PRIOR FINDINGS NOT REPEATED – Continued |             |  |                     |
| C                                       | 44          | Failure to Ensure Employees were Duly Licensed and Insured |                     |

**EXIT CONFERENCE**

The Office waived an exit conference in correspondence from Martin Paul, Chief Internal Auditor, on November 14, 2019. The responses to the recommendations were provided by Martin Paul in correspondence dated November 25, 2019.

SPRINGFIELD OFFICE:  
ILES PARK PLAZA  
740 EAST ASH • 62703-3154  
PHONE: 217/782-6046  
FAX: 217/785-8222 • TTY: 888/261-2887  
FRAUD HOTLINE: 1-855-217-1895



CHICAGO OFFICE:  
MICHAEL A. BILANDIC BLDG. • SUITE 5-900  
160 NORTH LASALLE • 60601-3103  
PHONE: 312/814-4000  
FAX: 312/814-4006  
FRAUD HOTLINE: 1-855-217-1895

OFFICE OF THE AUDITOR GENERAL  
FRANK J. MAUTINO

INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Compliance**

We have examined the State of Illinois, Office of the State Fire Marshal's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2018. The management of the State of Illinois, Office of the State Fire Marshal is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Office of the State Fire Marshal's compliance based on our examination.

- A. The State of Illinois, Office of the State Fire Marshal has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Office of the State Fire Marshal has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The State of Illinois, Office of the State Fire Marshal has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Office of the State Fire Marshal are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Office of the State Fire Marshal on behalf of the State or held in trust by the State of Illinois, Office

of the State Fire Marshal have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the State of Illinois, Office of the State Fire Marshal complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Office of the State Fire Marshal complied with the specified requirements listed above. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Office of the State Fire Marshal's compliance with specified requirements.

Our examination disclosed the following material noncompliance with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2018. As described in items 2018-001 through 2018-003 in the accompanying schedule of findings, the State of Illinois, Office of the State Fire Marshal did not comply with requirements regarding applicable laws and regulations in its financial and fiscal operations. Additionally, as described in item 2018-002 in the accompanying schedule of findings, the State of Illinois, Office of the State Fire Marshal did not ensure State revenues and receipts collected by the State of Illinois, Office of the State Fire Marshal were in accordance with applicable laws and regulations and the accounting and recordkeeping relating thereto was proper, accurate, and in accordance with law. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Office of the State Fire Marshal to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the material noncompliance described in the preceding paragraph, the State of Illinois, Office of the State Fire Marshal complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2018. However, the results of our procedures disclosed other instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General, and which are described in the accompanying schedule of findings as items 2018-004 through 2018-012.

The State of Illinois, Office of the State Fire Marshal's responses to the findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Office of the State Fire Marshal's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The State of Illinois, Department of State Police's response to the finding, as further described in item 2018-010, identified in our examination is described in the accompanying schedule of findings. The State of Illinois, Department of State Police's response was not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the response.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

### **Internal Control**

Management of the State of Illinois, Office of the State Fire Marshal is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Office of the State Fire Marshal's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Office of the State Fire Marshal's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Office of the State Fire Marshal's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2018-001 through 2018-003 to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in

internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2018-004 through 2018-012 to be significant deficiencies.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter.

The State of Illinois, Office of the State Fire Marshal's responses to the internal control findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Office of the State Fire Marshal's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The State of Illinois, Department of State Police's response to the internal control finding, as further described in item 2018-010, identified in our examination is described in the accompanying schedule of findings. The State of Illinois, Department of State Police's response was not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2018, and June 30, 2017, in Schedules 1 through 5 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2018, and June 30, 2017, accompanying supplementary information in Schedules 1 through 5. However, we do not express an opinion on the accompanying supplementary information.

As reported in item 2018-003, we were not able to conclude the State of Illinois, Office of the State Fire Marshal's property records were sufficiently complete and accurate. Therefore, we were unable to conclude the Schedule of Changes in State Property on Schedule 4 was complete.

We have not applied procedures to the June 30, 2016, accompanying supplementary information in Schedules 3 through 5 and in the Analysis of Operations Section and, accordingly, we do not express an opinion or provide any assurance on it.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK, CPA  
Director of Financial and Compliance Audits

Springfield, Illinois  
November 25, 2019

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-001. **FINDING** (Failure to Perform Inspections or Report Violations)

The Office of the State Fire Marshal (Office) did not perform all inspections of public schools or always report identified violations to the regional superintendents.

During testing, we noted the following:

- The Office did not perform annual fire safety inspections of each public school. We noted 1,138 of 3,427 (33%) and 1,490 of 3,470 (43%) schools were not inspected during Fiscal Year 2017 and Fiscal Year 2018, respectively.

The School Code (Code) (105 ILCS 5/3-14.21(c)) requires the Office, or a qualified fire official to whom the Office has delegated its authority, to conduct an annual fire safety inspection of each school building in this State.

- We reviewed the Office's records for 60 inspected public schools during the examination period. Of these 60 schools, 46 (77%) had violations noted by the inspector. We noted the following:
  - 20 of 46 (43%) reports with violations did not have evidence the report was submitted to the regional superintendent (superintendent).
  - 4 of 46 (9%) reports with violations were reported to the superintendent between 1 and 20 days late.

The Code (105 ILCS 5/3-14.21(c)) requires the Office, or a qualified official to whom the Office has delegated its authority, to report violations in writing to the superintendent within 15 days after the inspection was conducted, which triggers a requirement for the superintendent to address violations not timely corrected. Under the Code (105 ILCS 5/3-14.21(b)), if a superintendent finds a school board failed to timely correct a violation, the superintendent shall order the school board to adopt and submit a plan to the superintendent for the immediate correction of the violation. The school board must adopt this plan after conducting a public hearing where notice of the meeting was given in a newspaper of general circulation within the school district. If, during the next annual inspection, the superintendent finds the violations have not been corrected, the superintendent must submit a report to the State Board of Education recommending withholding of the school district's general State aid or evidence-based funding so the superintendent can enter into contracts to correct the violations. During a hearing after

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providing notice to both the superintendent and the school board, the State Board of Education can order the diversion of State funds to the superintendent to correct the violations.

Office personnel indicated these deficiencies were due to a lack of resources.

Failure to perform fire safety inspections at all schools and properly report violations increases the risk to schoolchildren from dangerous and unsafe conditions and represents material noncompliance with the Code. (Finding Code No. 2018-001)

**RECOMMENDATION**

We recommend the Office work with the Governor and the General Assembly to ensure sufficient resources exist to timely conduct public school building inspections. Further, the Office should enhance its internal controls to provide assurance violation reports are timely sent to the school's applicable superintendent.

**OFFICE RESPONSE**

We agree. OSFM has made school inspections a level 1 priority across the State. The OSFM Fire Prevention Manager has requested additional fire inspectors to address the overall staffing level of the division. This staffing increase will help to accommodate the rising workload caused by the failure of local fire departments to conduct school inspections in their own areas. OSFM continues to offer training for these inspections to local fire departments. However, participation by the local fire departments has decreased since the beginning of the program. As a result, OSFM has had to assume responsibility for inspecting those schools which trained locals have not been inspecting.

Another challenge lies with inspection reports required to be done following school inspections. OSFM inspectors' training emphasizes submitting school reports within 10 days of the inspection date. Local fire departments are instructed during their training to submit those same reports within 15 days. OSFM has no enforcement authority over local fire departments who do not abide by the rules, other than to remove them from inspections. The result is that OSFM then has to assume their school inspections, which consequently increases the number of schools the OSFM is responsible for inspecting.

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Additionally, when an OSFM inspector files an inspection report, it is automatically reviewed and sent to the applicable school superintendents via email from the system. Local Fire Departments have also been trained to send inspection reports to the superintendents of schools the locals have inspected. However, OSFM does not receive documentation of that having occurred, or notice of when the inspection was conducted. OSFM is developing a notification process with the remaining local fire departments to ensure reports are sent to the superintendents.

The OSFM Fire Prevention Manager has made a request for additional fire inspectors to address the overall staffing level of the division and to accommodate the increased workload from local fire departments.

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2018-002. **FINDING** (Inadequate Control over Fees)

The Office of the State Fire Marshal (Office) did not exercise adequate control over its collection and revenue recognition of fees.

During testing, we noted the following:

- During our review of the Office's process for collecting inspection fees for boilers and pressure vessels, we noted the Office lacked an adequate process for identifying the party responsible for paying the fee. We noted three ways for triggering an inspection by the Office, each of which lacked a process to gather all information needed to collect on the resulting account receivable, such as the identity of the responsible party and its corresponding taxpayer identification number (TIN). Then, when the actual inspection occurs, the Office's inspector only confirms the mailing address and, if the person providing the inspector access to the boiler is willing to provide it, the e-mail address for the entity that pays the building's costs. After the inspection, the Office sends an invoice to the address confirmed by the inspector and, if the amount is not timely paid, the Office sends quarterly statements demanding payment.

Under this process, the Office does not gather enough information to establish and collect on each account receivable, as the Illinois State Collection Act of 1986 (Act) requires the referral of all debts of \$250 or more and 90 days past due to the Comptroller's Offset System (30 ILCS 210/5(c-1)) and the referral of all delinquent debt to the Department of Revenue's Debt Collection Bureau (Bureau) (30 ILCS 210/5(g)). Under the Illinois Administrative Code (Code) (74 Ill. Admin. Code 1200.50), delinquent debt includes all amounts owed of \$10 or more that is more than 90 days past due.

In order to refer debt to the Comptroller's Offset System, the Statewide Accounting Management System (SAMS) (Procedure 26.40.20) requires the Office provide the debtor's name and TIN to refer debt to the Comptroller.

In order to refer delinquent debt to the Bureau, the Code (74 Ill. Admin. Code 1200.60(e)) requires the Office must provide the Bureau with information about the debtor. For individuals, this includes the debtor's identity, address, and social security number. For businesses, this includes the debtor's name and business organization type, the business' federal employer identification number, and the social security numbers of the officers of the business.

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Finally, SAMS (Procedure 26.20.10) notes detailed information related to an account receivable is needed to support the recognition and tracking of receivables. SAMS (Procedure 26.20.10) recommends maintaining, at a minimum, (1) the debtor's name, TIN, and last known address, (2) the amount owed and nature of the debt, (3) the initial due date, and (4) documentation of all collection efforts.

Office officials indicated they believe it is not cost effective to track the TINs of the responsible parties and changing ownership for approximately 99,000 boilers and pressure vessels.

- During our review of the Inspection Certificate process, we noted the Office had a revenue recognition process not recognized by Generally Accepted Accounting Principles (GAAP) for Inspection Certificates. For Special Inspectors not employed by the Office, the Boiler and Pressure Vessel Safety Act (430 ILCS 75/11(b)) requires the filing of an inspection report prepared by the Special Inspector and, if the report notes no violations exist, the responsible party must then pay the appropriate fee to the Office and the Office will then issue an Inspection Certificate allowing the entity to operate the boiler or pressure vessel. A similar process, while not defined in statute, also exists for an Inspection Certificate issued after the Office receives an inspection report conducted by its own staff. Paragraph 50 of Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, of the Governmental Accounting and Standards Board (GASB) notes fees have an identifiable exchange-like transaction between the reporting government and another party, which includes regulatory or professional licenses and permits. In this case, an exchange transaction exists between the responsible party and the Office for the Inspection Certificate, which allows for the legal operation of the boiler or pressure vessel.

We noted the Office's current process is to record an account receivable for the Inspection Certificate after it receives the inspection report but before the cash payment is received, which results in the Office recognizing revenue on the accrual basis and either recognizing revenue if it is available or a deferred inflow as unavailable revenue if it is not available on the modified accrual basis. As such, revenue is recognized prior to the exchange consummation of the transaction when cash is exchanged for the Inspection Certificate.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Office to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues and funds applicable to

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operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over the State's resources.

Office officials indicated they were unaware of this accounting guidance and agree an account receivable should not be recorded.

- The Office did not refer any of its accounts receivable related to underground storage tanks to the Bureau.

At June 30, 2018, the Office reported \$7.438 million in outstanding accounts receivable, with \$6.579 million over 90 days past due within the Underground Storage Tank Fund (Fund 072). As time passes, the Office's likelihood of collecting outstanding accounts receivable diminishes.

The Act (30 ILCS 210/5(g)) requires the referral of all delinquent debt to the Bureau. Under the Code (74 Ill. Admin. Code 1200.50), delinquent debt includes all amounts owed of \$10 or more that is more than 90 days past due.

Office officials indicated they believe it is not cost effective to use the Bureau's external collection agencies to attempt to collect these amounts due.

Failure to gather adequate information about the responsible party to enable the establishment of accounts receivable could result in lost revenue or delayed cash collections for the State. Further, failure to refer qualifying delinquent debt to the Bureau could result in the State realizing less cash than possible from its accounts receivable and represents noncompliance with State laws and regulations. Finally, adopting a non-GAAP revenue recognition process hinders the overall accuracy of Statewide financial reporting. (Finding Code No. 2018-002)

**RECOMMENDATION**

We recommend the Office implement controls to obtain sufficient information about responsible parties to enable the collection of accounts receivable, or seek a legislative remedy to require up-front payment for an inspection at the time when an inspection is scheduled. Further, the Office should refer qualifying debt to the Bureau for external collection efforts and review all of its revenue sources to ensure the appropriate application of GAAP.

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**OFFICE RESPONSE**

We agree. The Office did not have the staff to maintain TIN's on approximately 99,000 boilers, due to a trend of constantly changing building owners. However, with the accounting change identified in dot point two, referable receivables dropped from \$134,040 down to \$2,330. This accounting change will allow the OSFM to refer accounts with the resources it has, and as a result, obtain TIN's as needed for referral.

The Office will review all revenue sources and make applicable accounting changes regarding dot point 2.

Underground Storage Tank (UST) accounts receivables are fines on companies that are out of business and are mostly uncollectable. All UST debts are referred to the Comptroller for offset, and to the Attorney General for enforcement action, if applicable. However, the Attorney General will not accept collection matters involving out of state defendants or dissolved corporations/limited liability companies. These accounts are referred back to OSFM for write-off.

In the past, it was not cost effective to refer accounts to the Department of Revenue external collection agencies. The Office had formerly referred accounts but had never collected any money. The Office will reevaluate the cost effectiveness of the "Outside Collections Agency" process with Revenue.

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2018-003. **FINDING** (Inadequate Control over State Property)

The Office of the State Fire Marshal (Office) did not exercise adequate control over the accuracy, completeness, and timeliness of its State property records and related reporting.

During testing, we were unable to agree the listing of additions provided by the Office to activity reported in its quarterly *Agency Report of State Property* (Form C-15) reports submitted to the Office of the State Comptroller (Comptroller) for Fiscal Year 2017 Quarter 1, Quarter 2, and Quarter 3. The net difference totaled \$21,334.

Due to this condition, we were unable to conclude whether the Office's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the Office's equipment. In addition, due to these limitations, auditors were unable to conclude the Office's Schedule of Changes in State Property on page 56 was complete and appropriately reported.

*Even given the population limitations noted above, which hindered our ability to conclude whether selected samples were representative of the population as a whole*, we performed the following tests:

Controls over State Property and Equipment

- During additions testing, we noted the following:
  - Eight of 40 (20%) items selected for testing, totaling \$14,092, were added to the Office's property listing between 21 and 528 days late.

At the time, the Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) required the Office to adjust its property records within 30 days after acquiring an item. Effective May 3, 2019, the Code was amended to extend this deadline to 90 days.

- Freight charges, totaling \$20, were not added to the value of one of 40 (3%) items selected for testing.

The Statewide Accounting Management System (SAMS) (Procedure 03.30.20) states that the cost of equipment includes all the costs necessary to acquire the asset and place it into service, including freight charges.

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- During forwards testing (list to floor) of items reported as in use at the Office, we noted the following:

- One of 40 (3%) equipment items selected from the Office's property listing, totaling \$544, was unable to be located.

The State Property Control Act (Act) (30 ILCS 605/4) requires the Office to be accountable for the supervision, control, and inventory of its property. In addition, the Act (30 ILCS 605/6.02) requires the Office to maintain a permanent record of all items of property under its jurisdiction and control.

- Seven of 40 (18%) items selected for testing, totaling \$12,747, were found in a different location than reported on the Office's property listing.

SAMS (Procedure 29.10.10) requires the Office to maintain current property records, including the location. Additionally, the Code (44 Ill. Admin. Code 5010.230) requires the Office to correctly enter each item's location code number on its property listing.

- Two of 40 (5%) equipment items selected from the Office's property listing, totaling \$1,785, were obsolete or unused and needed to be sent to surplus.

The Code (44 Ill. Admin. Code 5010.600) defines transferable equipment as State-owned equipment which is no longer needed and/or is not useful to the Office. The Code (44 Ill. Admin. Code 5010.620) requires the Office to regularly survey its inventory to identify transferable equipment and report it to the Property Control Division at the Department of Central Management Services.

In addition, SAMS (Procedure 03.60.20) states inventory items that are obsolete, damaged, or no longer useable should be identified, and if necessary, removed from the Office's inventory records.

- During backwards testing (floor to list) of items in use at the Office, we noted the following:

- Four of 40 (10%) equipment items selected for testing, totaling \$3,174, were found in a different location than reported on the Office's property listing.

SAMS (Procedure 29.10.10) requires the Office to maintain current property records, including the location. Additionally, the Code (44 Ill. Admin. Code 5010.230) requires the Office to correctly enter each item's location code number on its property listing.

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- Three of eight (38%) Form C-15s were filed between two and three days late.

SAMS (Procedure 29.20.10) requires the Form C-15 to be filed with the Comptroller no later than the last day of the month following the last day of the quarter.

Controls over Equipment Leases

- The Office did not file an *Accounting for Leases-Lessee Form* (Form SCO-560) with the Comptroller for three leased equipment items, totaling \$16,242. These items had a fair market value greater than \$5,000.

SAMS (Procedure 27.20.60) requires the Office to complete a Form SCO-560 for each multiple period lease in which the asset being leased has a fair market value greater than \$5,000.

Office personnel stated the issues noted above were due to: the budget impasse because the Office's inventory system requires voucher numbers; employees moving equipment items without notifying Property Control; and oversight.

Failure to exercise adequate control over property and to maintain accurate and complete property records increases the potential for fraud and loss of property. In addition, inaccurate and untimely reporting hinders the accuracy of, and delays preparation of, Statewide financial information and may result in unnecessary equipment expenditures by the State. Further, the absence of complete and accurate property records results in incorrect accounting records and noncompliance with State laws. (Finding Code No. 2018-003)

**RECOMMENDATION**

We recommend the Office strengthen its internal controls over State property by:

1. reviewing the Office's property listing, including recent equipment transactions, to ensure it is complete and accurate;
2. timely recording equipment transactions;
3. maintaining documentation to support the completeness and accuracy of property additions;
4. ensuring Form C-15s submitted to the State Comptroller are accurate; and,
5. properly reporting all leases with a fair market value in excess of \$5,000 to the State Comptroller.

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**OFFICE RESPONSE**

We agree. The Office completed the transition for responsibility for the inventory process from the Shared Services Center to the Office of the State Fire Marshal in FY19. Additionally, the Office will be moving onto the new Statewide SAP Inventory System on 01/01/2020. With these changes, the Office expects to see increased controls over State property.

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2018-004. **FINDING** (Inadequate Control over State Vehicles)

The Office of the State Fire Marshal (Office) did not maintain adequate controls over the administration of its State vehicles.

Vehicle Maintenance Testing

During our review of maintenance records for State vehicles, we noted the following:

- Ten of 24 (42%) vehicles tested did not have routine oil changes performed within the mileage or time intervals required by the Department of Central Management Services (CMS). The oil change overages ranged from 1,018 to 4,307 miles beyond the allowed interval. For these 10 vehicles, the number of untimely oil changes noted for each vehicle ranged from one to six instances during the examination period. CMS' *Vehicle Usage Policy* requires standard lube, oil, and filter changes to be performed every 5,000 miles or 12 months, whichever comes first. In addition, the Illinois Administrative Code (Code) (44 Ill. Admin. Code 5040.400) requires all State-owned or leased vehicles to undergo regular service and/or repair in order to maintain the vehicles in road-worthy, safe, operating condition.
- Due to insufficient documentation, we were unable to determine whether 13 of 24 (54%) vehicles tested received tire rotations at the interval required by CMS. CMS' *Vehicle Usage Policy* requires tire rotations to be performed on all passenger vehicles at every other oil change. In addition, the Code (44 Ill. Admin. Code 5040.400) requires all State-owned or leased vehicles to undergo regular service and/or repair in order to maintain the vehicles in road-worthy, safe, operating condition. Finally, the State Records Act (5 ILCS 160/8) requires the Office to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency.
- During our testing to determine whether vehicles received an annual inspection, we noted the following:
  - Two of 24 (8%) vehicles tested did not receive an annual inspection as required by CMS during Fiscal Year 2018.

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- Due to insufficient documentation, we were unable to determine whether 2 of 24 (8%) vehicles tested received an annual inspection as required by CMS during Fiscal Year 2017. The State Records Act (5 ILCS 160/8) requires the Office to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency.

The Code (44 Ill. Admin. Code 5040.410(a)) requires the Office to have vehicles inspected by CMS at least once per year.

Office officials indicated employees did not consistently document tire rotations and oil changes.

Accidents Involving State Vehicles

During our review of accidents involving State vehicles, we noted 3 of 17 (18%) Motorist's Report of Illinois Motor Vehicle Accident Reports (Form SR-1s) tested were submitted between 9 and 55 days late to the CMS Auto Liability Unit (Unit). The Code (44 Ill. Admin. Code 5040.520(i)) requires the Form SR-1 to be sent to the Unit no later than seven days following the accident.

Office officials indicated this was due to oversight and a lack of coordination between field staff and the Vehicle Coordinator.

Review of Vehicle Records

During our review of vehicle records, we were unable to verify the accuracy of the mileage reported for 2 of 90 (2%) vehicles. For one of the vehicles, we noted inconsistent odometer readings when examining its WEX card transactions, CMS Garage maintenance receipts, and Monthly Auto Cost Reports for Fiscal Year 2017 and Fiscal Year 2018. For the other vehicle, we could not verify the mileage as of June 30, 2017. The State Records Act (5 ILCS 160/8) requires the Office to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency. In addition, good business practices include ensuring the correct mileage is recorded and adequately tracked to facilitate proper maintenance of State vehicles.

Office officials indicated the inconsistent odometer readings resulted from two separate vehicle identification numbers (VINs) erroneously being assigned to one equipment number for a period of time.

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Inadequate monitoring of the maintenance and record keeping of State vehicles could result in unnecessary costs to the State through additional repairs and shortened useful lives of State vehicles. Further, failure to timely file Form SR-1s exposes the driver and the Office to the risk of forfeiture of coverage under the State's auto liability plan. (Finding Code No. 2018-004)

**RECOMMENDATION**

We recommend the Office implement controls to provide assurance:

1. vehicles receive required maintenance in a timely manner;
2. maintenance records are complete and accurate;
3. motor vehicle accidents are timely reported to CMS; and,
4. vehicle mileage records are carefully reviewed for errors and discrepancies.

**OFFICE RESPONSE**

We agree. The OSFM vehicle coordinator reminded all employees with assigned vehicles to document oil changes and tire rotations when those are done, and to ensure annual inspections and accident reports are completed in a timely manner.

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2018-005. **FINDING** (Inadequate Controls over Receipts)

The Office of the State Fire Marshal (Office) did not have adequate controls over collecting and reporting receipts.

Receipts and Refunds

During separate testing of 40 receipts and 40 refunds, we noted the following:

- Ten (25%) receipts and five (13%) refunds were not date-stamped by the Office. Therefore, we were unable to determine when the check was received and, consequently, whether the check was deposited in a timely manner.
- Seven (18%) receipts were deposited between 2 and 199 days late, even after allowing for the Office's seven day receipt deposit extension.

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2(a)) requires the Office to keep proper books with a detailed itemized accounting of all moneys showing the date of receipt. Further, the Act (30 ILCS 230/2(a)) requires the Office deposit receipts collected into the State Treasury within a specific number of business days, depending on the value of cash receipts on hand.

- Five (13%) Receipt Deposit Transmittal Forms (RDTs) were sent to the Office of the State Comptroller (Comptroller) between 32 and 42 days after the State Treasurer issued the Treasurer's Draft.

The Statewide Accounting Management System (SAMS) (Procedure 25.10.30) requires Treasurer's Drafts to be remitted to the Comptroller. Good internal controls require deposits to be processed timely to increase the balance of funds available for expenditure. We determined 30 days to be a reasonable time frame.

Receipt Account Codes

- The Office had not removed nine receipt account codes from its Chart of Accounts which have not been used in over three years.

SAMS (Procedure 25.20.30) establishes procedures for the Office to request the deletion of receipt accounts using the *Chart of Accounts Maintenance Inquiry Form* (Form C-45). Good internal controls over receipts includes ensuring the Chart of Accounts is accurate and up-to-date.

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Returned Checks

During testing of seven returned checks, we noted the certificate related to four (57%) returned checks was not revoked until a subsequent payment was received.

The Illinois Administrative Code (Code) (41 Ill. Admin. Code 2120.40(g)) states a fee must be paid before an Inspection Certificate will be issued. The Code further states, if the owner of the boiler fails to pay the fee, the Inspection Certificate shall be suspended until the owner pays the fee.

Additionally, the Code (41 Ill. Admin. Code 1000.130(d)) requires a permit fee to be submitted with an application for an elevator permit.

Agency Fee Imposition Reporting

During testing, we noted the following:

- The total receipts reported on the Office's Agency Fee Imposition Report (Report) for Fiscal Year 2017 and Fiscal Year 2018 did not agree to the Office's receipt ledgers. The Report was understated by \$283,767 in Fiscal Year 2017 and overstated by \$127,994 in Fiscal Year 2018.

The State Comptroller Act (15 ILCS 405/16.2(a)) requires all State agencies that impose and collect fees to prepare the Report. SAMS (Procedure 33.16.10) states the form shall list and describe the fees imposed by the Board, the purpose of the fees, the amount of revenue generated by each fee, and the funds into which the fees are deposited.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Office establish and maintain a system of fiscal and administrative controls to provide assurance that revenues and resources applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

- Both of the Office's Reports were not properly completed, as the fee totals listed in the deposit detail did not properly trace to the totals listed in the Fee Registry and Rates.

SAMS (Procedure 33.16.20) establishes procedures for properly filing the Report with the Comptroller. In general, fees charged should reconcile to the amount deposited within the State Treasury.

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Office personnel stated the issues noted above were due to limited staffing, conflicting priorities, and oversight.

Failure to establish and maintain internal controls over receipts and related reporting increases the risk that errors or other irregularities could occur and not be found within the normal course of operations, delays the recognition of available cash within the State Treasury, and represents noncompliance with State laws, rules, and regulations. In addition, inaccurate reporting of fees by the Office reduces the reliability of the Statewide Report submitted to the General Assembly and represents noncompliance with SAMS. (Finding Code No. 2018-005)

**RECOMMENDATION**

We recommend the Office take action to establish and maintain appropriate internal controls over its receipts by:

1. timely depositing receipts and refunds into the State Treasury;
2. timely remitting Treasurer's Drafts to the Comptroller;
3. updating its Chart of Accounts to retain only in-use accounts;
4. revoking Inspection Certificates issued until the fee is paid; and,
5. preparing an accurate Report each year.

**OFFICE RESPONSE**

We agree. The Office generally make deposits twice a week and is confident that most checks are processed within statutory requirements. The Office processes approximately 20,000 to 30,000 checks per year with limited staff. Of the seven receipts deposited late, only one was past 8 days old, and it was a 199-day old disputed subpoena check which was finally resolved.

The Office reminded employees to date stamp documents when received and removed all of the unused receipt account codes.

Additionally, the deposit function was moved from the Shared Services Center to the OSFM in FY19 which should speed up the deposit process.

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2018-006. **FINDING** (Inadequate Controls over Grant Agreements)

The Office of the State Fire Marshal (Office) did not exercise adequate controls over grant agreements.

During testing of three grant agreements from a population of eight non-small equipment grant agreements during the examination period, we noted the following:

- For two (67%) agreements tested, the grantees did not submit payment requests within 30 days of the end of the quarter. The requests were submitted between 17 to 91 days late.
- For one (33%) agreement tested, the Office was unable to provide a payment request for the second quarter of Fiscal Year 2017, in which the grantee received \$137,500.

Article IV, Paragraph 4.7 of the grant agreements states payment requests are to be submitted to the Office within 30 days of the end of the quarter. Further, the State Records Act (5 ILCS 160/8) requires the Office to make and preserve adequate and proper documentation of the Office's essential transactions to furnish information to protect the legal and financial rights of the State.

- The grantees did not submit quarterly financial reports for three (100%) agreements tested.

Article XIII, Paragraph 13.1 of the grant agreement states the grantees are required to submit financial reports quarterly describing the expenditures of the funds. Quarterly reports must be submitted no later than 30 calendar days following the three month period covered by the report. Failure to submit the required financial reports may cause a delay or suspension of funding.

- For three (100%) agreements tested, the grantees did not submit a Close-Out Report within 60 calendar days following the end of the period of performance of the agreement.

Article XIII, Paragraph 13.2 of the grant agreement requires the grantees to submit a Close-Out Report within 60 calendar days following the end of the period of performance of the Agreement.

- For two (67%) agreements tested, the grantees did not submit Annual Financial Reports within 180 days after the grantee's fiscal year ending on or after June 30.

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Article XIII, Paragraph 13.3 of the grant agreement requires grantees to submit Annual Financial Reports within 180 days after the grantee's fiscal year ending on or after June 30.

- For two (67%) agreements tested, the grantees did not submit quarterly Performance Reports.

Article XIV, Paragraph 14.1 of the grant agreement requires the grantee to submit Performance Reports as requested and in the format required by the Office. Further, Paragraph 14.1 requires Performance Measures listed in Exhibit E to be reported quarterly, unless otherwise specified in Part Two or Part Three.

- For the three (100%) agreements tested, the grantees did not submit a Close-Out Performance Report within 60 calendar days following the end of the period of performance.

Article XIV, Paragraph 14.2, requires the grantee to submit a Close-Out Performance Report within 60 calendar days following the end of the period of performance.

- For one (33%) agreement tested, the grantee's payment requests did not contain the certification statement as required by the grant agreement.

Exhibit C of the grant agreement requires the following certification on the payment requests submitted by the grantee:

By signing this payment request, I certify to the best of my knowledge and belief that the payment request is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal or State award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

During testing of 60 grant vouchers, we noted one (2%) voucher tested, totaling \$137,500, did not contain supporting documentation.

The State Finance Act (30 ILCS 105/9.04) states the certification on behalf of the State agency on every State voucher for goods and services other than a payroll or travel voucher shall be as follows:

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I certify that the goods or services specified on this voucher were for the use of this agency and that the expenditure for such goods or services was authorized and lawfully incurred; that such goods or services meet all the required standards set forth in the purchase agreement or contract to which this voucher relates; and that the amount shown on this voucher is correct and is approved for payment. If applicable, the reporting requirements of Section 5.1 of the Governor's Office of Management and Budget Act have been met.

Further, the Statewide Accounting Management System (SAMS) (Procedure 17.10.20) requires the Office to maintain all supporting documentation necessary to substantiate their encumbrances, expenditures, and other transactions.

Finally, Exhibit C of the grant agreement states “the payment request must include supporting documentation.”

Office personnel stated that standard grant language was used and was not modified for each specific grant.

Failure to adequately monitor the terms and conditions of the grant agreements could result in improper use and payment of grant funds. In addition, failure to maintain supporting documentation represent noncompliance with the State Finance Act, the State Records Act, and SAMS. (Finding Code No. 2018-006)

**RECOMMENDATION**

We recommend the Office strengthen its controls over grant monitoring to ensure all requirements of the grant agreements are adhered to by its grantees.

**OFFICE RESPONSE**

We agree. The Grant Accountability and Transparency Unit at the Office of Management and Budget created standard grant and intergovernmental agreements. These agreements in the standard form are not suitable for the grants that the agency provides. The agency failed to create exceptions to the standard grant and intergovernmental agreements which resulted in the above findings. The agency will tailor future grant agreements to more suitably fit agency grants.

The agency would like to note that all of its grants are provided to grantees on a reimbursement basis, and the agency believes that the failures noted with regard to the grant agreements did not pose a risk that would result in an improper payment of grant funds.

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The agency would also like to note that while the payment request the auditors noted with regard to the certification statement did not contain the verbatim certification statement from the Grant Agreement, the payment request did contain a certification with language that the agency felt met the requirements of the certification required in the Grant Agreement. The agency will draft future grant agreements to allow for alternate certifications.

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2018-007. **FINDING** (Inadequate Control over Monthly Reconciliations)

The Office of the State Fire Marshal (Office) had inadequate control over its monthly reconciliations. We noted the Office utilizes the Public Safety Shared Services Center (Shared Services) to perform its reconciliations.

During testing, we noted the following:

- Eleven of 24 (46%) monthly reconciliations of the Office's receipt records to the Office of the State Comptroller's (Comptroller) *Monthly Revenue Status Report* (SB04) were not performed in a timely manner. The reconciliations were completed between 7 and 250 days late.

The Statewide Accounting Management System (SAMS) (Procedure 25.40.20) requires the Office reconcile the SB04 report within 60 days of month end.

- Four of 30 (13%) monthly reconciliations of the Office's expenditure records to the Comptroller's *Monthly Appropriation Status Report* (SB01) were not performed in a timely manner. The reconciliations were completed between 25 and 117 days late.

SAMS (Procedure 11.40.20) requires the Office reconcile the SB01 report within 60 days of month end.

- The Office's Fiscal Year 2017 and Fiscal Year 2018 expenditure records did not agree to the Comptroller's records as of September 30, 2017, and September 30, 2018, respectively. The differences totaled \$21,603 and \$74,395, respectively.

SAMS (Procedure 11.40.20) requires the Office report any irreconcilable differences to the Office of the State Comptroller so that necessary investigation and corrective action can be implemented to correct the accounting records.

The Office is ultimately responsible for activities Shared Services conducts on its behalf. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Office to establish and maintain a system of internal controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation; and revenues, expenditures, and transfers of assets, resources, or funds applicable to the operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

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Office personnel stated the issues noted above were due to a lack of staffing.

Failure to properly reconcile the Office's records to the Comptroller's records in a timely manner represents noncompliance with SAMS and could result in incomplete or inaccurate financial information. (Finding Code No. 2018-007)

**RECOMMENDATION**

We recommend the Office ensure its receipts and expenditure records are properly and timely reconciled to the Comptroller's records each month.

**OFFICE RESPONSE**

We agree. The Office is in the process of moving the reconciliation fiscal functions from the Shared Services Center to the OSFM Fiscal Office. The Office expects the transition to be completed by 03/31/2020. The Office expects reconciliations to be accurate and timely in the future.

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2018-008. **FINDING** (Weaknesses with Payment Card Industry Data Security Standards)

The Office of the State Fire Marshal (Office) had not completed all requirements to demonstrate full compliance with the Payment Card Industry Data Security Standards (PCI DSS).

The Office accepted credit card payments for fees associated with licenses and permits. In Fiscal Year 2017 and Fiscal Year 2018, the Office handled 5,915 transactions for \$1,185,235 and 6,429 transactions for \$1,293,700, respectively.

Upon review of the Office's efforts to ensure compliance with PCI DSS, we noted the Office had not:

- Formally assessed each program accepting credit card payments, the methods in which payments could be made, matched these methods to the appropriate Self-Assessment Questionnaire (SAQ), and contacted service providers and obtained relevant information and guidance as deemed appropriate.
- Completed a SAQ addressing all elements of its environment utilized to store, process, and transmit cardholder data.
- Submitted compliance documentation to the Treasurer's E-Pay program vendor.

PCI DSS was developed to detail security requirements for entities that store, process, or transmit cardholder data. Cardholder data is any personally identifiable data associated with a cardholder.

To assist merchants in the assessments of their environment, the PCI Council has established SAQs for validating compliance with PCI's core requirements. At minimum, PCI DSS requires completion of SAQ A, which highlights specific requirements to restrict access to paper and electronic media containing cardholder data, destruction of such media when it is no longer needed, and requirements for managing service providers. As additional elements, such as face-to-face acceptance of credit cards and point-of-sale solutions, are introduced into the credit card environment being assessed, additional PCI DSS requirements apply.

Office officials stated the conditions outlined above were due to oversight.

Compliance with the PCI DSS is required to ensure confidential and personally identifiable information is secured at all times.

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Failure to establish and maintain adequate procedures to ensure compliance with PCI DSS could result in identity theft or other unintended use. (Finding Code 2018-008)

**RECOMMENDATION**

We recommend the Office:

1. at least annually, assess each program accepting credit card payments, the methods in which payments can be made, and match these methods to the appropriate SAQ;
2. complete the appropriate SAQ(s) for its environment and maintain documentation supporting its validation efforts; and,
3. maintain contact with the Treasurer's Office to ensure sufficient knowledge and awareness of PCI Compliance status, issues, and guidance surrounding the E-Pay program.

**OFFICE RESPONSE**

We agree. The Office was unaware of this requirement because the Office utilizes the Treasurer's e-Pay portal and does not collect credit card information either in person or on any agency IT platform. The Office completed the Self-Assessment Questionnaire (SAQ) and obtained an annual "Certificate of Compliance" on 12/27/18 and on 11/12/19. The Office expects the SAQ to be completed annually in the future.

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2018-009. **FINDING** (Inadequate Control over Performance Evaluations)

The Office of the State Fire Marshal (Office) did not exercise adequate control over employee performance evaluations.

During our testing of 36 employee personnel files, we noted 24 of 67 (36%) employee performance evaluations tested were completed between 1 and 149 days late.

The Illinois Administrative Code (80 Ill. Admin. Code 302.270(d)) requires the Office to prepare an evaluation on employees not less often than annually. In addition, the Office's *Employee Handbook* (Chapter 3, Section 1) requires supervisors to complete, sign, and forward evaluations to the Director's office within 10 working days after the end of the evaluation period.

Office personnel stated the 10-day requirement in the Employee Handbook did not allow enough time to complete the evaluations.

Employee performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations serve as a foundation for salary adjustments, promotions, demotions, discharges, layoffs, recalls, and reinstatement decisions. (Finding Code No. 2018-009, 2016-003, 2014-004, 12-04, 10-06, 08-11, 06-06)

**RECOMMENDATION**

We recommend the Office comply with its policies by completing performance evaluations in a timely manner.

**OFFICE RESPONSE**

We agree. The Office updated the Employee Handbook on 10/31/19 to reflect the change from 10 days to 4 months, which will now correspond with the new AFSCME union contract. The Office expects evaluations to be completed timely in the future.

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2018-010. **FINDING** (Failure to Establish and Maintain a Statewide Arsonist Database)

The Office of the State Fire Marshal (Office) did not establish and maintain a Statewide Arsonist Database or make such Database available to the public via its website as required by the Arsonist Registration Act (Act).

The Act (730 ILCS 148/60(b)) states the Department of State Police shall furnish to the Office the registration information concerning persons who are required to register under this Act. Then, the Office shall establish and maintain a Statewide Arsonist Database for the purpose of making that information available to the public on the Internet by means of a hyperlink labeled "Arsonist Information" on the Office's website.

Office personnel stated that due to lack of funding, the Department of State Police has not provided the Office with arsonist registration information. Therefore, the Office has been unable to establish a Statewide Arsonist Database and publish it on the Office's website.

Failure to establish and maintain a Statewide Arsonist Database and make such database available to the public via the Office's website represents noncompliance with the Act and limits public awareness of arsonist information. (Finding Code No. 2018-010, 2016-002)

**RECOMMENDATION**

We recommend the Office work with the Department of State Police to obtain arsonist registration information and create a hyperlink/database that can be published and made available for the public via the Office's website, or seek a legislative remedy.

**OFFICE RESPONSE**

The State Fire Marshal will make arsonist registration information available to the public using a hyperlink when the information is made available by the Illinois State Police.

**DEPARTMENT OF STATE POLICE RESPONSE**

Based on how the ISP had historically leveraged the Law Enforcement Agencies Data System (LEADS) for handling sex offenders, the Illinois State Police (ISP) assumed the same process could be re-used for arsonists. However, the legacy LEADS/Hot Files system is built upon out-of-date technology, and changes to the

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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

files were (and are) difficult to make. With that realization, senior command of the Information Technology Command (ITC) believed the Illinois Citizen and Law Enforcement Analysis and Reporting (I-CLEAR) system would be a more capable information delivery system to use than LEADS.

ITC personnel also did some analysis at the time and discovered that the numbers of individuals who would be required to register would be small in comparison to the number of sex offenders, and at that time, since the bill was a "day forward" approach, it would be several years before anyone would need to register.

Knowing that we wanted to minimize changes to the antiquated Hot Files, and knowing that it would be several years before anyone would be required to register, ITC command supported changes in the legislation to replace LEADS with I-CLEAR and delay the ISP mandates, which included the statement "until I-CLEAR is deployed statewide."

Because the requirements of the legislation have been difficult to meet, ISP and OSFM crafted a legislative proposal to clarify the responsibilities of each party. Introduced in the Spring of 2012, the bill did not get the required support.

What is absolutely required is support and funding for ISP to purchase or build a statewide registry software application and related processes. Those processes should promulgate information to all the entities required – to the public via the OSFM website and, as appropriate, all criminal justice through LEADS. In addition, if designed correctly, the registry application could be extended as new legislation is ratified requiring other categories of individuals who would be required to register.

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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-011. **FINDING** (Failure to Timely Implement Statutory Changes)

The Office of the State Fire Marshal (Office) did not timely implement statutory changes.

**Public Act 97-0979 (Effective on August 17, 2012)**

During testing, we noted the Office issues Class 2 licenses as opposed to issuing separate Class 2I and Class 2K licenses. Public Act 97-0979 divided the Class 2 license into the Class 2I and Class 2K licenses.

The Fire Equipment Distributor and Employee Regulation Act of 2011 (FEDERA) (225 ILCS 217/40(a)) states, “No person shall engage in practice as a fire equipment distributor or fire equipment employee without first applying for and obtaining a license for that purpose from the Office.”

Under FEDERA (225 ILCS 217/40(f)), an applicant, in order to qualify for a Class 2I Fire Equipment Employee License to service, recharge, hydro-test, install, maintain, or inspect all types of pre-engineered industrial fire extinguishing systems must:

- 1) pass the National Association of Fire Equipment Distributors (NAFED)/International Code Council (ICC) examination administered by the ICC as a technician certified to service Pre-Engineered Industrial Fire Suppression Systems;
- 2) pay an annual license fee of \$20; and,
- 3) provide two copies of a current photo 1” X 1” in size, unless seeking a religious exemption and submitting fingerprints to the Office with their application in lieu of a photo.

Under FEDERA (225 ILCS 217/40(f-5)), an applicant, in order to qualify for a Class 2K Fire Equipment Employee License to service, recharge, hydro-test, install, maintain, or inspect all types of pre-engineered kitchen fire extinguishing systems must:

- 1) pass the NAFED/ICC examination administered by the ICC as a technician certified to service Pre-Engineered Kitchen Fire Extinguishing Systems;
- 2) pay an annual license fee of \$20; and,
- 3) provide two copies of a current photo 1” X 1” in size, unless seeking a religious exemption and submitting fingerprints to the Office with their application in lieu of a photo.

Office officials indicated there were higher priority system changes.

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For the Two Years Ended June 30, 2018

Failure to issue licenses in accordance with FEDERA could result in fire equipment employees not having specific training on industrial and kitchen pre-engineered fire extinguishing systems as intended by the General Assembly, could hinder public safety, and represents noncompliance with FEDERA.

**Public Act 97-0428 (Effective on August 16, 2011)**

During testing, we noted the Office had not amended its administrative rules which implement the Petroleum Equipment Contractors Licensing Act (PECLA) since the rules were initially adopted on September 13, 2003. Subsequently, we noted Public Act 97-0428, effective on August 16, 2011, made several amendments to PECLA that have not been codified in the Office's rules. In addition, we noted the Office's rules within the Illinois Administrative Code (Code) for PECLA (41 Ill. Admin. Code 172) continue to reference another Code citation (41 Ill. Admin. Code 170) that was repealed on September 2, 2010.

PECLA (225 ILCS 729/25) requires the Office promulgate rules consistent with the provisions of this Act for the administration and enforcement of [PECLA].

Office officials indicated there were higher priority changes on its Regulatory Agenda.

Failure to adopt rules that reflect statutory changes may result in licensee confusion and represents noncompliance with PECLA.

**Public Act 99-0480 (Effective on September 5, 2015)**

During testing, we noted the Office did not adopt rules requiring training in the administration of opioid antagonists as part of trainees to fulfill the minimum basic training requirements to become a fire fighter.

The Illinois Fire Protection Training Act (IFPTA) (50 ILCS 740/8) requires the Office to adopt rules and minimum basic training requirements, which must include training in first aid (including cardiopulmonary resuscitation) and training in the administration of opioid antagonists.

Office officials indicated they were not aware the statutory change required the rules to be updated.

Failure to adopt rules establishing the minimum basic training requirements for a trainee to become a fire fighter may result in fire fighters being ill-equipped when faced with an opioid overdose case and represents noncompliance with IFPTA. (Finding Code No. 2018-011)

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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

**RECOMMENDATION**

We recommend the Office implement controls to identify changes in its statutory requirements and timely adopt administrative rules. Further, the Office should:

1. issue the separate Class 2I and Class 2K fire equipment employee licenses in accordance with FEDERA;
2. amend its administrative rules to reflect changes to PECLA;
3. make sure all references within its administrative rules reflect the current environment; and,
4. adopt minimum basic training requirements for the administration of opioid antagonists as required by IFPTA.

**OFFICE RESPONSE**

We agree. See below responses.

**Public Act 97-0979 (Class 2I and Class 2K licenses)**

The Office identified and has been working to correct this deficiency since 2016. However, due to other system priorities and the sale of the Fire Equipment Licensing System to another business, the fix was delayed. The Office is now working with the new vender to correct the deficiency and we expect completion in FY20. In the meantime, the Office continues to issue the Class 2 license.

**Public Act 97-0428 (Petroleum Equipment Contractors Licensing)**

This rule change was identified and placed on the regulatory agenda in 2013. However, due to other priorities and the need to make statutory changes first, the rule change was delayed. The Office expects to address statutory changes in FY21 and follow up with applicable rule changes in FY22.

**Public Act 99-0480 (Opioid Antagonists Training)**

The Office agrees that the Opioid Antagonists Training is not included in 41 Ill. Adm. Code Part 141. The Office is, however, in compliance with the enabling statute regarding Opioid Antagonists Training (Opioid Antagonists Training is on our website and is required for first responders). The Office is conducting an internal review to determine the appropriate placement for this mandate within the OSFM Administrative Rules.

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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-012. **FINDING** (Untimely Inspection of Boilers and Pressure Vessels)

The Office of the State Fire Marshal (Office) did not conduct inspections of boilers and pressure vessels in a timely manner.

We noted three of 60 (5%) boiler and pressure vessel inspections tested were not performed in a timely manner. These inspections were performed 197, 222, and 400 days after the previous certificate expired.

The Boiler and Pressure Vessel Safety Act (Act) (430 ILCS 75/10) requires thorough inspection of the construction, installation, condition, and operation of boilers and pressure vessels in the State at periodic intervals ranging from annually to triennially by the Chief Inspector, a Deputy Inspector, or a Special Inspector.

Office personnel stated location owners generally resist inspections prior to their certificate expiration dates because it reduces the amount of time between billings.

Failure to perform timely inspections increases the risk an unsafe boiler or pressure vessel will remain undetected, increasing the threat of harm to the public, and represents noncompliance with the Act. (Finding Code No. 2018-012)

**RECOMMENDATION**

We recommend the Office implement necessary controls to identify and perform inspections in a timely manner.

**OFFICE RESPONSE**

We agree. As of 11/06/19, the Agency had 2,615 out of 99,038 (2.6%) of boilers and pressure vessels that were past due. The Agency is in the process of hiring two additional boiler inspectors, which will significantly reduce the number of late boiler inspections.

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**PRIOR FINDINGS NOT REPEATED**  
For the Two Years Ended June 30, 2018

A. **FINDING** (Noncompliance with the Illinois Finance Authority Act)

During the prior examination, the Office did not comply with statutory provisions regarding the use of assets within the Illinois Finance Authority's Fire Truck Revolving Loan Fund (Fund).

During the current examination, our testing indicated the Office complied with the statutory provisions regarding the Fund. (Finding Code No. 2016-001)

B. **FINDING** (Inadequate Controls over Computer Equipment)

During the prior examination, the Office was not able to locate computer equipment.

During the current examination, our sample testing indicated the Office was able to locate all of its computer equipment. (Finding Code No. 2016-004)

C. **FINDING** (Failure to Ensure Employees were Duly Licensed and Insured)

During the prior examination, the Office did not ensure all employees assigned a State vehicle were duly licensed and insured.

During the current examination, our testing indicated all Office employees assigned a State vehicle were duly licensed and insured. (Finding Code No. 2016-005)

STATE OF ILLINOIS  
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COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
  - Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2018
  - Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2017
  - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
  - Schedule of Changes in State Property
  - Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller
  
- Analysis of Operations (Not Examined):
  - Agency Functions and Planning Program (Not Examined)
  - Analysis of Significant Variations in Expenditures (Not Examined)
  - Analysis of Significant Variations in Receipts (Not Examined)
  - Analysis of Significant Lapse Period Spending (Not Examined)
  - Analysis of Accounts Receivable (Not Examined)
  - Budget Impasse Disclosures (Not Examined)
  - Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)
  - Interest Costs on Fiscal Year 2017 Invoices (Not Examined)
  - Average Number of Employees (Not Examined)
  - Emergency Purchases (Not Examined)
  - Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2018, and June 30, 2017, accompanying supplementary information in Schedules 1 through 5. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section and, accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2018

For the Fifteen Months Ended September 30, 2018

|  | Appropriations<br>(Net of<br>Transfers) | Expenditures<br>Through<br>June 30 | Approximate<br>Lapse Period<br>Expenditures<br>July 1 to<br>September 30 | Approximate<br>Expenditures<br>15 Months<br>Ended<br>September 30 | Balances<br>Lapsed   |
|--|---|------------------------------------|--|---|----------------------|
| Public Act 100-0021  |   |                                    |  |   |                      |
| <b>FISCAL YEAR 2018</b>  |   |                                    |  |   |                      |
| <b>APPROPRIATED FUNDS</b>  |   |                                    |  |   |                      |
| <b>FIRE PREVENTION FUND - 047</b>  |   |                                    |  |   |                      |
| <u>Division 01</u>   |   |                                    |  |   |                      |
| Personal Services  | \$ 8,788,300                            | \$ 7,521,248                       | \$ 415,001   | \$ 7,936,249  | \$ 852,051           |
| State Contributions to the State Employees' Retirement System                        | 4,746,800                               | 3,851,968                          | 196,306  | 4,048,274   | 698,526              |
| State Contributions to Social Security   | 597,500                                 | 494,184                            | 26,250   | 520,434   | 77,066               |
| Group Insurance  | 2,472,000                               | 1,567,732                          | 72,721   | 1,640,453   | 831,547              |
| Contractual Services   | 1,283,100                               | 1,243,109                          | 17,845   | 1,260,954   | 22,146               |
| Travel   | 90,700                                  | 74,520                             | 14,678   | 89,198  | 1,502                |
| Commodities  | 80,700                                  | 76,251                             | 861  | 77,112  | 3,588                |
| Printing   | 29,600                                  | 27,644                             | 75   | 27,719  | 1,881                |
| Equipment  | 1,386,700                               | 666,103                            | 102,827  | 768,930   | 617,770              |
| Electronic Data Processing   | 1,913,500                               | 1,510,016                          | 249,540  | 1,759,556   | 153,944              |
| Telecommunications Services  | 348,900                                 | 315,467                            | 19,394   | 334,861   | 14,039               |
| Operation of Automotive Equipment  | 141,200                                 | 94,119                             | 46,562   | 140,681   | 519                  |
| Refunds  | 5,000                                   | 655                                | -  | 655   | 4,345                |
| Fire Explorer and Cadet School   | 65,000                                  | -                                  | -  | -   | 65,000               |
| Senior Officer Training  | 55,000                                  | -                                  | -  | -   | 55,000               |
| Cornerstone Program  | 350,000                                 | -                                  | -  | -   | 350,000              |
| Firefighter Training Programs  | 230,000                                 | -                                  | -  | -   | 230,000              |
| Online Firefighter Certification Testing   | 315,000                                 | -                                  | 649  | 649   | 314,351              |
| Chicago Fire Department Training Program   | 2,747,000                               | 2,060,250                          | 686,750  | 2,747,000   | -                    |
| Participants in the State Training Programs  | 950,000                                 | 950,000                            | -  | 950,000   | -                    |
| Development of New Fire Districts  | 1,000                                   | -                                  | -  | -   | 1,000                |
| Illinois Law Enforcement Alarm System and Mutual Aid Box Alarm System Administration | 125,000                                 | 125,000                            | -  | 125,000   | -                    |
| Maintenance and Repair of Illinois Fire Museum                                       | 1,000,000                               | -                                  | -  | -   | 1,000,000            |
| Fire Truck Revolving Loan Fund   | 3,000,000                               | -                                  | -  | -   | 3,000,000            |
| Small Equipment Grant Program  | 3,000,000                               | -                                  | 2,219,139  | 2,219,139   | 780,861              |
| Fire Station Revolving Loan Fund   | 2,000,000                               | -                                  | -  | -   | 2,000,000            |
| Hazardous Materials Emergency Response Reimbursement                                 | 50,000                                  | -                                  | -  | -   | 50,000               |
| <b>Subtotal - Division 01</b>  | <b>\$ 35,772,000</b>                    | <b>\$ 20,578,266</b>               | <b>\$ 4,068,598</b>  | <b>\$ 24,646,864</b>  | <b>\$ 11,125,136</b> |

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2018

For the Fifteen Months Ended September 30, 2018

| Public Act 100-0021<br>FISCAL YEAR 2018                          | Appropriations<br>(Net of<br>Transfers) | Expenditures<br>Through<br>June 30 | Approximate<br>Lapse Period<br>Expenditures<br>July 1 to<br>September 30 | Approximate<br>Expenditures<br>15 Months<br>Ended<br>September 30 | Balances<br>Lapsed   |
|--|---|------------------------------------|--|---|----------------------|
| Division 89  |   |                                    |  |   |                      |
| Public Safety Shared Services Center                             | \$ 831,900                              | \$ 608,512                         | \$ 28,945  | \$ 637,457  | \$ 194,443           |
| Subtotal - Division 89   | <u>\$ 831,900</u>                       | <u>\$ 608,512</u>                  | <u>\$ 28,945</u>   | <u>\$ 637,457</u>   | <u>\$ 194,443</u>    |
| Subtotal - Fund 047  | <u>\$ 36,603,900</u>                    | <u>\$ 21,186,778</u>               | <u>\$ 4,097,543</u>  | <u>\$ 25,284,321</u>  | <u>\$ 11,319,579</u> |
| <u>UNDERGROUND STORAGE TANK FUND - 072</u>                       |   |                                    |  |   |                      |
| Personal Services  | \$ 1,856,100                            | \$ 1,757,421                       | \$ 77,668  | \$ 1,835,089  | \$ 21,011            |
| State Contributions to the State Employees'<br>Retirement System | 1,002,500                               | 902,375                            | 36,861   | 939,236   | 63,264               |
| State Contributions to Social Security                           | 142,000                                 | 130,076                            | 5,757  | 135,833   | 6,167                |
| Group Insurance  | 576,000                                 | 368,886                            | 15,406   | 384,292   | 191,708              |
| Contractual Services   | 233,300                                 | 216,424                            | 361  | 216,785   | 16,515               |
| Travel   | 8,300                                   | 6,800                              | 1,442  | 8,242   | 58                   |
| Commodities  | 9,000                                   | 4,175                              | -  | 4,175   | 4,825                |
| Printing   | 3,500                                   | 50                                 | -  | 50  | 3,450                |
| Equipment  | 16,000                                  | -                                  | 16,000   | 16,000  | -                    |
| Electronic Data Processing                                       | 12,500                                  | 9,994                              | -  | 9,994   | 2,506                |
| Telecommunications Services                                      | 21,000                                  | 18,101                             | -  | 18,101  | 2,899                |
| Operation of Auto Equipment                                      | 70,100                                  | 27,328                             | 10,433   | 37,761  | 32,339               |
| Refunds  | 4,000                                   | 3,100                              | -  | 3,100   | 900                  |
| State's Underground Storage Program                              | 550,000                                 | 275,000                            | 275,000  | 550,000   | -                    |
| Subtotal - Fund 072  | <u>\$ 4,504,300</u>                     | <u>\$ 3,719,730</u>                | <u>\$ 438,928</u>  | <u>\$ 4,158,658</u>   | <u>\$ 345,642</u>    |
| <u>AMBULANCE REVOLVING LOAN FUND - 334</u>                       |   |                                    |  |   |                      |
| Payment to the Illinois Finance Authority                        | \$ 297,815                              | \$ 296,913                         | \$ 902   | \$ 297,815  | \$ -                 |
| Subtotal - Fund 334  | <u>\$ 297,815</u>                       | <u>\$ 296,913</u>                  | <u>\$ 902</u>  | <u>\$ 297,815</u>   | <u>\$ -</u>          |
| <u>ILLINOIS FIREFIGHTERS' MEMORIAL FUND - 510</u>                |   |                                    |  |   |                      |
| Firefighters' Memorial   | \$ 400,000                              | \$ 7,406                           | \$ 127,842   | \$ 135,248  | \$ 264,752           |
| Subtotal - Fund 510  | <u>\$ 400,000</u>                       | <u>\$ 7,406</u>                    | <u>\$ 127,842</u>  | <u>\$ 135,248</u>   | <u>\$ 264,752</u>    |

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Appropriations for Fiscal Year 2018

For the Fifteen Months Ended September 30, 2018

| Public Act 100-0021<br>FISCAL YEAR 2018                                    | Appropriations<br>(Net of<br>Transfers) | Expenditures<br>Through<br>June 30 | Approximate<br>Lapse Period<br>Expenditures<br>July 1 to<br>September 30 | Approximate<br>Expenditures<br>15 Months<br>Ended<br>September 30 | Balances<br>Lapsed   |
|--|---|------------------------------------|--|---|----------------------|
| <u>FIRE TRUCK REVOLVING LOAN FUND - 572</u>                                |   |                                    |  |   |                      |
| Payment to the Illinois Finance Authority                                  | \$ 2,609,849                            | \$ 2,400,645                       | \$ 209,204   | \$ 2,609,849  | \$ -                 |
| Subtotal - Fund 572  | <u>\$ 2,609,849</u>                     | <u>\$ 2,400,645</u>                | <u>\$ 209,204</u>  | <u>\$ 2,609,849</u>   | <u>\$ -</u>          |
| <u>FIRE PREVENTION DIVISION FUND - 580</u>                                 |   |                                    |  |   |                      |
| U.S. Resource Conservation and Recovery<br>Act Underground Storage Program | \$ 1,000,000                            | \$ 150,135                         | \$ -   | \$ 150,135  | \$ 849,865           |
| Subtotal - Fund 580  | <u>\$ 1,000,000</u>                     | <u>\$ 150,135</u>                  | <u>\$ -</u>  | <u>\$ 150,135</u>   | <u>\$ 849,865</u>    |
| <b>TOTAL - ALL APPROPRIATED FUNDS</b>                                      | <u>\$ 45,415,864</u>                    | <u>\$ 27,761,607</u>               | <u>\$ 4,874,419</u>  | <u>\$ 32,636,026</u>  | <u>\$ 12,779,838</u> |

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018. These amounts were unable to be reconciled to the Office's records, as noted in Finding 2018-007.

Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

Note 3: The Ambulance Revolving Loan Fund (Fund 334) is appropriated by the Illinois Finance Authority Act (Act) (20 ILCS 3501/825-85(b-1)), yet functions similar to a non-appropriated fund. Additionally, the Fire Truck Revolving Loan Fund (Fund 572) is also appropriated by the Act (20 ILCS 3501/825-80(c-1)), yet functions similar to a non-appropriated fund.

Note 4: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Office to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 70 includes information from Office management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Office to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriations.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

| Public Act 99-0524<br>FISCAL YEAR 2017               | Appropriations<br>(Net of<br>Transfers) | Expenditures<br>Through<br>June 30 | Approximate<br>Lapse Period<br>Expenditures<br>July 1 to<br>September 30 | Approximate<br>Expenditures<br>15 Months<br>Ended<br>September 30 | Balances<br>Lapsed  |
|--|---|------------------------------------|--|---|---------------------|
|  | \$ 8,660,900                            | \$ 7,850,304                       | \$ 370,430   | \$ 8,220,734  | \$ 440,166          |
| <u>APPROPRIATED FUNDS</u>                            |   |                                    |  |   |                     |
| <u>FIRE PREVENTION FUND - 047</u>                    |   |                                    |  |   |                     |
| <u>Division 01</u>                                   |   |                                    |  |   |                     |
| Personal Services                                    |   |                                    |  |   |                     |
| State Contributions to the State Employees'          |   |                                    |  |   |                     |
| Retirement System                                    | 3,860,000                               | 3,478,633                          | 160,174  | 3,638,807   | 221,193             |
| State Contributions to Social Security               | 592,900                                 | 519,423                            | 24,632   | 544,055   | 48,845              |
| Group Insurance                                      | 2,448,000                               | 1,839,830                          | 80,347   | 1,920,177   | 527,823             |
| Contractual Services                                 | 1,280,000                               | 1,019,391                          | 217,176  | 1,236,567   | 43,433              |
| Travel   | 73,200                                  | 59,255                             | 13,347   | 72,602  | 598                 |
| Commodities  | 111,200                                 | 100,576                            | 10,600   | 111,176   | 24                  |
| Printing   | 27,600                                  | 27,056                             | 125  | 27,181  | 419                 |
| Equipment  | 51,800                                  | 50,581                             | 1,206  | 51,787  | 13                  |
| Electronic Data Processing                           | 771,500                                 | 660,362                            | 101,837  | 762,199   | 9,301               |
| Telecommunications Services                          | 206,400                                 | 148,998                            | 55,752   | 204,750   | 1,650               |
| Operation of Automotive Equipment                    | 129,700                                 | 98,956                             | 30,365   | 129,321   | 379                 |
| Refunds  | 5,000                                   | 1,880                              | -  | 1,880   | 3,120               |
| Fire Explorer and Cadet School                       | 65,000                                  | 19,635                             | 45,290   | 64,925  | 75                  |
| Senior Officer Training                              | 55,000                                  | -                                  | 11,000   | 11,000  | 44,000              |
| Chicago Fire Department Training Program             | 2,689,600                               | 2,017,200                          | 672,400  | 2,689,600   | -                   |
| Participants in the State Training Programs          | 950,000                                 | 950,000                            | -  | 950,000   | -                   |
| Development of New Fire Districts                    | 1,000                                   | -                                  | -  | -   | 1,000               |
| Illinois Law Enforcement Alarm System and            |   |                                    |  |   |                     |
| Mutual Aid Box Alarm System Administration           | 125,000                                 | 125,000                            | -  | 125,000   | -                   |
| Hazardous Materials Emergency Response Reimbursement | 50,000                                  | -                                  | -  | -   | 50,000              |
| Subtotal - Division 01                               | <u>\$ 22,153,800</u>                    | <u>\$ 18,967,080</u>               | <u>\$ 1,794,681</u>  | <u>\$ 20,761,761</u>  | <u>\$ 1,392,039</u> |

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

| Public Act 99-0524<br>FISCAL YEAR 2017                        | Appropriations<br>(Net of<br>Transfers) | Expenditures<br>Through<br>June 30 | Approximate<br>Lapse Period<br>Expenditures<br>July 1 to<br>September 30 | Approximate<br>Expenditures<br>15 Months<br>Ended<br>September 30 | Balances<br>Lapsed  |
|---|---|------------------------------------|--|---|---------------------|
| <u>Division 89</u>  |   |                                    |  |   |                     |
| Public Safety Shared Services Center                          | \$ 931,000                              | \$ 613,923                         | \$ 31,484  | \$ 645,407  | \$ 285,593          |
| Subtotal - Division 89  | <u>\$ 931,000</u>                       | <u>\$ 613,923</u>                  | <u>\$ 31,484</u>   | <u>\$ 645,407</u>   | <u>\$ 285,593</u>   |
| Subtotal - Fund 047   | <u>\$ 23,084,800</u>                    | <u>\$ 19,581,003</u>               | <u>\$ 1,826,165</u>  | <u>\$ 21,407,168</u>  | <u>\$ 1,677,632</u> |
| <u>UNDERGROUND STORAGE TANK FUND - 072</u>                    |   |                                    |  |   |                     |
| Personal Services   | \$ 1,800,600                            | \$ 1,681,581                       | \$ 77,028  | \$ 1,758,609  | \$ 41,991           |
| State Contributions to the State Employees' Retirement System | 802,500                                 | 749,927                            | 34,397   | 784,324   | 18,176              |
| State Contributions to Social Security                        | 137,700                                 | 124,466                            | 5,717  | 130,183   | 7,517               |
| Group Insurance   | 552,000                                 | 412,974                            | 18,366   | 431,340   | 120,660             |
| Contractual Services  | 267,800                                 | 120,552                            | 141,568  | 262,120   | 5,680               |
| Travel  | 7,300                                   | 3,107                              | 3,699  | 6,806   | 494                 |
| Commodities   | 26,000                                  | 8,098                              | 17,864   | 25,962  | 38                  |
| Printing  | -                                       | -                                  | -  | -   | -                   |
| Equipment   | -                                       | -                                  | -  | -   | -                   |
| Electronic Data Processing                                    | 12,500                                  | 9,756                              | 2,182  | 11,938  | 562                 |
| Telecommunications Services                                   | 22,500                                  | 15,462                             | 6,766  | 22,228  | 272                 |
| Operation of Auto Equipment                                   | 37,600                                  | 26,926                             | 9,160  | 36,086  | 1,514               |
| Refunds   | 4,000                                   | 3,000                              | -  | 3,000   | 1,000               |
| State's Underground Storage Program                           | 550,000                                 | 412,500                            | 137,500  | 550,000   | -                   |
| Subtotal - Fund 072   | <u>\$ 4,220,500</u>                     | <u>\$ 3,568,349</u>                | <u>\$ 454,247</u>  | <u>\$ 4,022,596</u>   | <u>\$ 197,904</u>   |
| <u>AMBULANCE REVOLVING LOAN FUND - 334</u>                    |   |                                    |  |   |                     |
| Payment to the Illinois Finance Authority                     | \$ 74,357                               | \$ 74,357                          | \$ -   | \$ 74,357   | \$ -                |
| Subtotal - Fund 334   | <u>\$ 74,357</u>                        | <u>\$ 74,357</u>                   | <u>\$ -</u>  | <u>\$ 74,357</u>  | <u>\$ -</u>         |

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

| Public Act 99-0524<br>FISCAL YEAR 2017                                     | Appropriations<br>(Net of<br>Transfers) | Expenditures<br>Through<br>June 30 | Approximate<br>Lapse Period<br>Expenditures<br>July 1 to<br>September 30 | Approximate<br>Expenditures<br>15 Months<br>Ended<br>September 30 | Balances<br>Lapsed  |
|--|---|------------------------------------|--|---|---------------------|
| <u>ILLINOIS FIREFIGHTERS' MEMORIAL FUND - 510</u>                          |   |                                    |  |   |                     |
| Firefighters' Memorial   | \$ 400,000                              | \$ 13,098                          | \$ 80,276  | \$ 93,374   | \$ 306,626          |
| Subtotal - Fund 510  | <u>\$ 400,000</u>                       | <u>\$ 13,098</u>                   | <u>\$ 80,276</u>   | <u>\$ 93,374</u>  | <u>\$ 306,626</u>   |
| <u>FIRE TRUCK REVOLVING LOAN FUND - 572</u>                                |   |                                    |  |   |                     |
| Payment to the Illinois Finance Authority                                  | \$ 2,264,489                            | \$ 2,264,489                       | \$ -   | \$ 2,264,489  | \$ -                |
| Subtotal - Fund 572  | <u>\$ 2,264,489</u>                     | <u>\$ 2,264,489</u>                | <u>\$ -</u>  | <u>\$ 2,264,489</u>   | <u>\$ -</u>         |
| <u>FIRE PREVENTION DIVISION FUND - 580</u>                                 |   |                                    |  |   |                     |
| U.S. Resource Conservation and Recovery<br>Act Underground Storage Program | \$ 1,000,000                            | \$ 589,697                         | \$ (36)  | \$ 589,661  | \$ 410,339          |
| Subtotal - Fund 580  | <u>\$ 1,000,000</u>                     | <u>\$ 589,697</u>                  | <u>\$ (36)</u>   | <u>\$ 589,661</u>   | <u>\$ 410,339</u>   |
| <b>TOTAL - ALL APPROPRIATED FUNDS</b>                                      | <u>\$ 31,044,146</u>                    | <u>\$ 26,090,993</u>               | <u>\$ 2,360,652</u>  | <u>\$ 28,451,645</u>  | <u>\$ 2,592,501</u> |

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017. These amounts were unable to be reconciled to the Office's records, as noted in Finding 2018-007.

Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

Note 3: The Ambulance Revolving Loan Fund (Fund 334) is appropriated by the Illinois Finance Authority Act (Act) (20 ILCS 3501/825-85(b-1)), yet functions similar to a non-appropriated fund. Additionally, the Fire Truck Revolving Loan Fund (Fund 572) is also appropriated by the Act (20 ILCS 3501/825-80(c-1)), yet functions similar to a non-appropriated fund.

Note 4: Public Act 99-0524 authorized the Office to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 70 includes information from Office management about the number of invoices and the total dollar amount of invoices held by the Office submitted against its Fiscal Year 2017 appropriations.

Note 5: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Office to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 70 includes information from Office management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Office to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriations.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

|   | Fiscal Year            |                       |  |
|---|------------------------|-----------------------|--|
|   | 2018                   | 2017                  | 2016   |
|   | Public Act<br>100-0021 | Public Act<br>99-0524 | Public Acts<br>99-0409,<br>99-0491,<br>99-0524, &<br>Court-Ordered<br>Expenditures |
| <b>APPROPRIATED FUNDS</b>   |                        |                       |  |
| <b>Fire Prevention Fund - 047</b>   |                        |                       |  |
| Expenditure Authority (Net of Transfers)  | \$ 36,603,900          | \$ 23,084,800         | \$ 22,657,000  |
| Expenditures  |                        |                       |  |
| <b>Division 01</b>  |                        |                       |  |
| Personal Services   | \$ 7,936,249           | \$ 8,220,734          | \$ 8,371,305   |
| State Contributions to the State  |                        |                       |  |
| Employees' Retirement System  | 4,048,274              | 3,638,807             | 3,829,635  |
| State Contributions to Social Security  | 520,434                | 544,055               | 541,847  |
| Group Insurance   | 1,640,453              | 1,920,177             | 2,054,374  |
| Contractual Services  | 1,260,954              | 1,236,567             | 1,177,608  |
| Travel  | 89,198                 | 72,602                | 56,435   |
| Commodities   | 77,112                 | 111,176               | 8,121  |
| Printing  | 27,719                 | 27,181                | 11,062   |
| Equipment   | 768,930                | 51,787                | 17,665   |
| Electronic Data Processing  | 1,759,556              | 762,199               | 680,783  |
| Telecommunications Services   | 334,861                | 204,750               | 152,778  |
| Operation of Automotive Equipment   | 140,681                | 129,321               | 114,582  |
| Refunds   | 655                    | 1,880                 | 1,845  |
| Fire Explorer and Cadet School  | -                      | 64,925                | -  |
| Senior Officer Training   | -                      | 11,000                | -  |
| Cornerstone Program   | -                      | -                     | -  |
| Firefighter Training Programs   | -                      | -                     | -  |
| Online Firefighter Certification Testing  | 649                    | -                     | -  |
| Chicago Fire Department Training Program  | 2,747,000              | 2,689,600             | 2,544,200  |
| Participants in the State Training Programs   | 950,000                | 950,000               | 950,000  |
| Development of New Fire Districts   | -                      | -                     | -  |
| Illinois Law Enforcement Alarm System and<br>Mutual Aid Box Alarm System Administration | 125,000                | 125,000               | 125,000  |
| Maintenance and Repair of Illinois Fire Museum  | -                      | -                     | -  |
| Fire Truck Revolving Loan Fund  | -                      | -                     | -  |
| Small Equipment Grant Program   | 2,219,139              | -                     | -  |
| Fire Station Revolving Loan Fund  | -                      | -                     | -  |
| Hazardous Materials Emergency Response Reimbursement                                    | -                      | -                     | -  |
| Subtotal - Division 01  | <u>\$ 24,646,864</u>   | <u>\$ 20,761,761</u>  | <u>\$ 20,637,240</u>   |
| <b>Division 89</b>  |                        |                       |  |
| Public Safety Shared Services Center  | \$ 637,457             | \$ 645,407            | \$ 791,613   |
| Subtotal - Division 89  | <u>\$ 637,457</u>      | <u>\$ 645,407</u>     | <u>\$ 791,613</u>  |
| Total Expenditures  | <u>\$ 25,284,321</u>   | <u>\$ 21,407,168</u>  | <u>\$ 21,428,853</u>   |
| Lapsed Balances   | <u>\$ 11,319,579</u>   | <u>\$ 1,677,632</u>   | <u>\$ 1,228,147</u>  |

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

|   | Fiscal Year            |                       |  |
|---|------------------------|-----------------------|--|
|   | 2018                   | 2017                  | 2016   |
|   | Public Act<br>100-0021 | Public Act<br>99-0524 | Public Acts<br>99-0409,<br>99-0491,<br>99-0524, &<br>Court-Ordered<br>Expenditures |
| <b>Underground Storage Tank Fund - 072</b>        |                        |                       |  |
| Expenditure Authority (Net of Transfers)          | \$ 4,504,300           | \$ 4,220,500          | \$ 4,238,900   |
| Expenditures                                      |                        |                       |  |
| Personal Services                                 | \$ 1,835,089           | \$ 1,758,609          | \$ 1,688,659   |
| State Contributions to the State                  |                        |                       |  |
| Employees' Retirement System                      | 939,236                | 784,324               | 772,271  |
| State Contributions to Social Security            | 135,833                | 130,183               | 125,281  |
| Group Insurance                                   | 384,292                | 431,340               | 424,741  |
| Contractual Services                              | 216,785                | 262,120               | 108,930  |
| Travel  | 8,242                  | 6,806                 | 3,061  |
| Commodities                                       | 4,175                  | 25,962                | 15   |
| Printing  | 50                     | -                     | -  |
| Equipment   | 16,000                 | -                     | -  |
| Electronic Data Processing                        | 9,994                  | 11,938                | -  |
| Telecommunications Services                       | 18,101                 | 22,228                | 23,268   |
| Operation of Automotive Equipment                 | 37,761                 | 36,086                | 28,538   |
| Refunds   | 3,100                  | 3,000                 | -  |
| State's Underground Storage Program               | 550,000                | 550,000               | 550,000  |
| Total Expenditures                                | \$ 4,158,658           | \$ 4,022,596          | \$ 3,724,764   |
| Lapsed Balances                                   | \$ 345,642             | \$ 197,904            | \$ 514,136   |
| <b>Ambulance Revolving Loan Fund - 334</b>        |                        |                       |  |
| Expenditure Authority (Net of Transfers)          | \$ 297,815             | \$ 74,357             | \$ 74,357  |
| Expenditures                                      |                        |                       |  |
| Payment to the Illinois Finance Authority         | \$ 297,815             | \$ 74,357             | \$ 74,357  |
| Total Expenditures                                | \$ 297,815             | \$ 74,357             | \$ 74,357  |
| Lapsed Balances                                   | \$ -                   | \$ -                  | \$ -   |
| <b>Illinois Firefighters' Memorial Fund - 510</b> |                        |                       |  |
| Expenditure Authority (Net of Transfers)          | \$ 400,000             | \$ 400,000            | \$ 200,000   |
| Expenditures                                      |                        |                       |  |
| Firefighters' Memorial                            | \$ 135,248             | \$ 93,374             | \$ 71,094  |
| Total Expenditures                                | \$ 135,248             | \$ 93,374             | \$ 71,094  |
| Lapsed Balances                                   | \$ 264,752             | \$ 306,626            | \$ 128,906   |

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

|  | 2018                   | Fiscal Year<br>2017   | 2016   |
|--|------------------------|-----------------------|--|
|  | Public Act<br>100-0021 | Public Act<br>99-0524 | Public Acts<br>99-0409,<br>99-0491,<br>99-0524, &<br>Court-Ordered<br>Expenditures |
| <b>Fire Truck Revolving Loan Fund - 572</b>                                |                        |                       |  |
| Expenditure Authority (Net of Transfers)                                   | \$ 2,609,849           | \$ 2,264,489          | \$ 1,861,786   |
| Expenditures   |                        |                       |  |
| Payment to the Illinois Finance Authority                                  | \$ 2,609,849           | \$ 2,264,489          | \$ 1,861,786   |
| Total Expenditures   | \$ 2,609,849           | \$ 2,264,489          | \$ 1,861,786   |
| Lapsed Balances  | \$ -                   | \$ -                  | \$ -   |
| <b>Fire Prevention Division Fund - 580</b>                                 |                        |                       |  |
| Expenditure Authority (Net of Transfers)                                   | \$ 1,000,000           | \$ 1,000,000          | \$ 1,500,000   |
| Expenditures   |                        |                       |  |
| U.S. Resource Conservation and Recovery Act<br>Underground Storage Program | \$ 150,135             | \$ 589,661            | \$ 762,496   |
| Total Expenditures   | \$ 150,135             | \$ 589,661            | \$ 762,496   |
| Lapsed Balances  | \$ 849,865             | \$ 410,339            | \$ 737,504   |
| <b>GRAND TOTAL - ALL FUNDS</b>   |                        |                       |  |
| Expenditure Authority (Net of Transfers)                                   | \$ 45,415,864          | \$ 31,044,146         | \$ 30,532,043  |
| Total Expenditures   | \$ 32,636,026          | \$ 28,451,645         | \$ 27,923,350  |
| Lapsed Balances  | \$ 12,779,838          | \$ 2,592,501          | \$ 2,608,693   |
| <b>STATE OFFICERS' SALARIES</b>  |                        |                       |  |
| <b>Fire Prevention Fund - 047 (State Comptroller)</b>                      |                        |                       |  |
| Expenditures   |                        |                       |  |
| State Fire Marshal   | \$ 115,613             | \$ 115,613            | \$ 115,613   |
| Total Expenditures   | \$ 115,613             | \$ 115,613            | \$ 115,613   |

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

- Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and September 30, 2017. These amounts were unable to be reconciled to the Office's records, as noted in Finding 2018-007.
- Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.
- Note 3: The Ambulance Revolving Loan Fund (Fund 334) is appropriated by the Illinois Finance Authority Act (Act) (20 ILCS 3501/825-85(b-1)), yet functions similar to a non-appropriated fund. Additionally, the Fire Truck Revolving Loan Fund (Fund 572) is also appropriated by the Act (20 ILCS 3501/825-80(c-1)), yet functions similar to a non-appropriated fund.
- Note 4: Public Act 99-0524 authorized the Office to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 70 includes information from the Office management about the number of invoices and the total dollar amount of invoices held by the Office to be submitted against its Fiscal Year 2017 appropriations.
- Note 5: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Office to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 70 includes information from Office management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Office to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriations.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2018

|                          | <u>Equipment</u>    |
|--------------------------|---------------------|
| Balance at July 1, 2016  | \$ 5,028,313        |
| Additions                | 133,620             |
| Deletions                | -                   |
| Net Transfers            | <u>(163,960)</u>    |
| Balance at June 30, 2017 | <u>\$ 4,997,973</u> |
| <br>                     |                     |
| Balance at July 1, 2017  | \$ 4,997,973        |
| Additions                | 910,807             |
| Deletions                | (613,356)           |
| Net Transfers            | <u>(373,995)</u>    |
| Balance at June 30, 2018 | <u>\$ 4,921,429</u> |

Note: This schedule has been derived from property reports submitted to the Office of the State Comptroller. These amounts were unable to be reconciled to the Office's records, as noted in Finding 2018-003.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION OF  
CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
For the Fiscal Year Ended June 30,

|  | 2018                | 2017                | 2016                |
|--|---------------------|---------------------|---------------------|
| <b>General Revenue Fund - 001</b>                    |                     |                     |                     |
| Boiler Receipts                                      | \$ 1,603,022        | \$ 1,420,933        | \$ 1,470,863        |
| Total Cash Receipts per Office Records               | 1,603,022           | 1,420,933           | 1,470,863           |
| Less - In Transit at End of Year                     | -                   | -                   | -                   |
| Plus - In Transit at Beginning of Year               | -                   | -                   | 28,550              |
| Total Cash Receipts per State Comptroller's Records  | <u>\$ 1,603,022</u> | <u>\$ 1,420,933</u> | <u>\$ 1,499,413</u> |
| <b>Fire Prevention Fund - 047</b>                    |                     |                     |                     |
| Underground Storage Tank Permit Fees                 | \$ 424,600          | \$ 345,600          | \$ 432,250          |
| Boiler Inspection Fees                               | 2,167,669           | 2,224,087           | 2,119,138           |
| Sprinkler Contractor License Fees                    | 119,350             | 225,400             | 113,900             |
| Fuel Hauler Fees                                     | 15,400              | 12,700              | 17,100              |
| Fire Equipment Fees                                  | 65,860              | 75,360              | 77,080              |
| Elevator Safety                                      | 1,455,010           | 1,574,145           | 1,364,917           |
| Reimbursement/Jury Duty & Recoveries                 | 521                 | 1,571               | 577                 |
| Juvenile Firesetter Interventionist Program Training | 5,050               | 6,937               | 2,600               |
| State Certification Exam Fees                        | 400                 | 8,400               | 15,200              |
| Pyrotechnic Distributor and Operator License Fees    | 51,800              | 28,750              | 54,425              |
| Copy Fees (FOIA)                                     | 516                 | 231                 | -                   |
| Fire Prevention Fines and Penalties                  | -                   | 11,000              | -                   |
| Prior Year Refunds                                   | 11,917              | 4,467               | 20,211              |
| Total Cash Receipts per Office Records               | 4,318,093           | 4,518,648           | 4,217,398           |
| Less - In Transit at End of Year                     | 198,970             | 328,134             | 114,166             |
| Plus - In Transit at Beginning of Year               | 328,134             | 114,166             | 260,745             |
| Total Cash Receipts per State Comptroller's Records  | <u>\$ 4,447,257</u> | <u>\$ 4,304,680</u> | <u>\$ 4,363,977</u> |
| <b>Underground Storage Tank Fund - 072</b>           |                     |                     |                     |
| Tank Registration                                    | \$ 45,200           | \$ 45,400           | \$ 48,900           |
| Subpeona Fees  | 134                 | 80                  | 1,023               |
| Fines and Penalties                                  | 67,226              | 51,263              | 84,564              |
| Reimbursement/Jury Duty & Recoveries                 | 33                  | 22                  | -                   |
| Prior Year Refunds                                   | 24                  | -                   | -                   |
| Prior Year Expenditure Transfers                     | (45)                | -                   | -                   |
| Total Cash Receipts per Office Records               | 112,571             | 96,765              | 134,487             |
| Less - In Transit at End of Year                     | 1,350               | 5,045               | -                   |
| Plus - In Transit at Beginning of Year               | 5,045               | -                   | 6,425               |
| Total Cash Receipts per State Comptroller's Records  | <u>\$ 116,266</u>   | <u>\$ 91,720</u>    | <u>\$ 140,912</u>   |

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION OF  
CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
For the Fiscal Year Ended June 30,

|   | <u>2018</u>         | <u>2017</u>         | <u>2016</u>         |
|---|---------------------|---------------------|---------------------|
| <b>Fire Prevention Division Fund - 580</b>          |                     |                     |                     |
| Environmental Protection Agency Grant               | \$ 146,754          | \$ 639,321          | \$ 679,424          |
| Prior Year Expenditure Transfers                    | 45                  | -                   | -                   |
| Total Cash Receipts per Office Records              | <u>146,799</u>      | <u>639,321</u>      | <u>679,424</u>      |
| Less - In Transit at End of Year                    | -                   | -                   | -                   |
| Plus - In Transit at Beginning of Year              | -                   | -                   | -                   |
| Total Cash Receipts per State Comptroller's Records | <u>\$ 146,799</u>   | <u>\$ 639,321</u>   | <u>\$ 679,424</u>   |
| <b>Grand Total - All Funds</b>                      |                     |                     |                     |
| Total Cash Receipts per Office Records              | \$ 6,180,486        | \$ 6,675,667        | \$ 6,502,172        |
| Less - In Transit at End of Year                    | 200,320             | 333,179             | 114,166             |
| Plus - In Transit at Beginning of Year              | 333,179             | 114,166             | 295,720             |
| Total Cash Receipts per State Comptroller's Records | <u>\$ 6,313,345</u> | <u>\$ 6,456,654</u> | <u>\$ 6,683,726</u> |

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

## **FUNCTIONS**

The Office of the State Fire Marshal (Office) was created by the State Fire Marshal Act (20 ILCS 2905), effective July 21, 1977. The primary function of the Office is public safety. The Office is dedicated to working with its partners and providing assistance to the fire services in the protection of life, property, and the environment through communication, inspection, investigation, certification, and licensing. The Office provides its services through the following operating divisions:

Arson Investigation: The Division of Arson Investigation is responsible for investigating suspicious fires and explosions throughout the State. Nationally, arson (and suspected arson) is the primary cause of property damage due to fire in the United States and the second leading cause of fire deaths. To combat this serious problem, certified investigators respond to assist fire departments, communities, and State and federal agencies 24 hours a day, 7 days a week. Arson investigators are sworn peace officers authorized to interview witnesses, collect evidence, make arrests, and appear in court. Accelerant detecting K-9 teams can detect minute traces of accelerants often used in fires and can lead investigators to a specific location where physical samples can be taken, analyzed, and confirmed by special laboratories.

Fire Prevention: The Division of Fire Prevention conducts inspections of buildings for compliance with the Life Safety Code while concentrating efforts on State licensed day care, health care, public schools, and other licensed educational occupancies. Fire Prevention Division inspectors also help ensure safety through the inspection of above ground tanks, Liquid Petroleum Gas installations, correctional facilities, and hotel/motel occupancies. The Division is responsible for enforcing the Fire Equipment Distributor and Employee Regulation Act, the Fire Sprinkler Contractor Licensing Act, the Pyrotechnic Distributor and Operator Licensing Act, and the Furniture Fire Safety Act. The Fire Prevention Division also has a Technical Services Section that provides technical and engineering expertise. Technical Services staff provide plan reviews, code interpretations, represent the Office on State and national code committees and task forces, assist other divisions with continuing education of inspection personnel, and make presentations to the public and the regulated community relative to technical issues.

Fire Service Outreach: The Fire Service Outreach Division serves as a point of contact for fire departments to ensure better communication and support. The Division is responsible for public education by coordinating efforts with local fire departments through programs such as Remembering When™, which is a fire prevention program for older citizens, and Risk Watch™, which is a program designed to teach children about hazards and how to prevent injuries. Other duties include the Smoke Alarm Program and distributing educational materials.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

Additionally, the Division oversees the National Fire Incident Reporting System (NFIRS) at the State level. As all fire departments are required by the Fire Investigation Act (425 ILCS 25/6.1) to report incidents through this system, the Division provides technical support and training to them. The Division is also responsible for the Fire Equipment Exchange Program, maintaining the Firefighter Memorial at the Capitol Building, the Illinois Fire Museum at the Illinois State Fairgrounds, and coordinating the Fallen Firefighter Memorial and Medal of Honor Ceremony.

Personnel Standards and Education: The Division of Personnel Standards and Education (PS&E) is responsible for the standardization and enhancement in the levels of education and training for firefighters and professionals in the State, with the highest priorities placed on safety and career advancement.

Petroleum and Chemical Safety: The Division of Petroleum and Chemical Safety was created to manage the problems caused by the thousands of underground storage tank systems (USTs) containing petroleum or hazardous chemicals by preventing the problems from occurring in the first place as much as possible. The Division regulates petroleum and chemical storage tanks through registration, permitting, and inspection to ensure the protection of public health and safety. Over the years it has been in existence, the Division has registered more than 73,000 tanks. These include over 18,000 active and inactive USTs at nearly 7,000 active UST facilities. Other responsibilities include licensing of UST contractors, issuing permits for all tank installations, removals, repairs, upgrades, relining, and abandonments-in-place, performing onsite inspections of all active UST facilities on a biennial cycle, and following up on violation compliance actions by owners. Eligibility and deductibility determinations are also made by Division staff to determine if a tank owner can access the leaking underground storage tank fund. Inspectors in this Division also respond to reports of petroleum and chemical leaks and spills as needed.

Boiler and Pressure Vessel Safety: The Boiler and Pressure Vessel Safety Division regulates the construction, installation, operation, inspection, and repair of boilers and pressure vessels throughout the State. They conduct in-service inspections of various applications in schools, hospitals, churches, factories, day care centers, restaurants, dormitories, libraries, municipal buildings, refineries, chemical plants, prisons, and other public facilities.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

Elevator Safety: The Elevator Safety Division is responsible for implementing the Elevator Safety and Regulation Act through the registration, inspection, and certification of conveyances and the licensing of contractors, mechanics, inspectors, inspection companies, and apprentices. The Division assures that conveyances are correctly and safely installed and operated within the State of Illinois outside of the City of Chicago by regulating the design, installation, construction, operation, inspection, testing, maintenance, alteration, and repair of elevators, dumbwaiters, escalators, moving sidewalks, platform lifts, stairway lifts, and automated people movers in accordance with all applicable statutes and rules.

### **PLANNING PROGRAM**

The Office has its own planning program. Short-term goals reflect the objectives of a more current nature to address improvements of deficiencies in programs that can be resolved at the Office level and within budgetary constraints. Some specific short-term goals identified by the Office include:

- Full implementation of firefighter certification computer based testing.
- Update the State Fire Code.
- Keep the firefighter certification program updated to current standards.
- Develop a fire service portal.

The Office's long-range planning is accomplished via collaboration between executive staff and division directors. The committee is charged with developing goals for the Office and plans to attain those goals. The State Fire Marshal and executive staff monitor the goals with assistance from the division directors through monthly reporting. The long-range priorities of the Office have been identified as follows:

- Develop a long-term agency strategic plan.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2018 AND 2017**

**Fire Prevention Fund - 047**

Commodities

The decrease was due to a one-time purchase of uniforms in Fiscal Year 2017.

Equipment

The increase was due to a one-time purchase of vehicles in Fiscal Year 2018.

Electronic Data Processing

In Fiscal Year 2017, staff from the Department of Innovation and Technology were paid from the personal services appropriation line. In Fiscal Year 2018, these employees were paid from the electronic data processing appropriation line.

Telecommunications Services

The increase was due to a one-time purchase of STARCOM radios in Fiscal Year 2018.

Fire Explorer and Cadet School

The decrease was due to this grant not being funded in Fiscal Year 2018.

Small Equipment Grant Program

The increase was due to this grant not being funded in Fiscal Year 2017.

**Underground Storage Tank Fund - 072**

State Contributions to State Employees' Retirement System

The increase was due to an increase in the State retirement contribution rate.

Commodities

The decrease was due to one-time purchases of gas meter supplies and uniforms in Fiscal Year 2017.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2018 AND 2017 (Continued)**

**Ambulance Revolving Loan Fund - 334**

Ambulance Revolving Loan Fund

This appropriation line is a continuing appropriation which allows for the payment of all receipts into this fund to the Illinois Finance Authority. Therefore, expenditures from this fund are based on the receipts into this fund. Receipts were higher in Fiscal Year 2018 due to an increase in loan repayment amounts.

**Illinois Firefighters' Memorial Fund - 510**

Firefighters' Memorial

The increase was due to costs related to a special Medal of Honor ceremony in Fiscal Year 2018.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2017 AND 2016**

**Fire Prevention Fund - 047**

Commodities

The increase was due to a one-time purchase of uniforms in Fiscal Year 2017.

Equipment

The increase was due to a one-time purchase of cameras for the arson investigators in Fiscal Year 2017.

Telecommunications Services

The increase was due to a billing from the Department of Central Management Services for radio dispatch services for arson investigators from Fiscal Year 2016 that was paid in Fiscal Year 2017.

Fire Explorer and Cadet School

The increase was due to this grant not being funded in Fiscal Year 2016.

**Underground Storage Tank Fund - 072**

Contractual Services

The increase was due to contractual costs for the underground storage tank system being paid from this appropriation line after all the approved federal funds had been expended.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2017 AND 2016 (Continued)**

**Underground Storage Tank Fund - 072 (Continued)**

Commodities

The increase was due to a one-time purchase of uniforms in Fiscal Year 2017.

**Illinois Firefighters' Memorial Fund - 510**

Firefighters' Memorial

The increase was due to a Medal of Honor ceremony held in Fiscal Year 2017.

**Fire Truck Revolving Loan Fund - 572**

Fire Truck Revolving Loan Fund

This appropriation line is a continuing appropriation which allows for the payment of all receipts into this fund to the Illinois Finance Authority. Therefore, expenditures from this fund are based on receipts into this fund. Receipts were higher in Fiscal Year 2017 due to an increase in loan repayment amounts.

**Fire Prevention Division Fund - 580**

U.S. Resource Conservation and Recovery Act Underground Storage Program

The decrease was due to a decrease in federal funds available for spending in Fiscal Year 2017, as the majority of the budgets for the individual contracts were spent during Fiscal Year 2016.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2018 AND 2017**

**Fire Prevention Fund - 047**

Fire Prevention Fines and Penalties

The decrease was due to a one-time fine collected in Fiscal Year 2017.

Sprinkler Contractor License Fees

The decrease was due to more license renewals in Fiscal Year 2017. Licenses are required to be renewed every two years.

Pyrotechnic Distributor and Operator License Fees

The increase was due to more license renewals in Fiscal Year 2018. Licenses are required to be renewed every three years.

Underground Storage Tank Permit Fees

The increase was due to more license renewals in Fiscal Year 2018. Licenses are required to be renewed every two years.

**Underground Storage Tank Fund - 072**

Underground Storage Tank Fines and Penalties

The increase was due to more fines collected in Fiscal Year 2018. Fines are collected for judgements against owners of underground storage tanks for violations. Fines are unpredictable and vary from year to year.

**Fire Prevention Division Fund - 580**

Environmental Protection Agency Grant

The decrease was due to a large purchase in Fiscal Year 2018 which was not paid until the Lapse Period and, therefore, the grant drawdown did not occur until Fiscal Year 2019.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2017 AND 2016**

**Fire Prevention Fund - 047**

Fire Prevention Fines and Penalties

The increase was due to a one-time fine collected in Fiscal Year 2017.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2017 AND 2016 (Continued)**

**Fire Prevention Fund - 047 (Continued)**

Sprinkler Contractor License Fees

The increase was due to more license renewals in Fiscal Year 2017. Licenses are required to be renewed every two years.

Pyrotechnic Distributor and Operator License Fees

The decrease was due to more license renewals in Fiscal Year 2016. Licenses are required to be renewed every three years.

Underground Storage Tank Permit Fees

The decrease was due to more license renewals in Fiscal Year 2016. Licenses are required to be renewed every two years.

Prior Year Refunds

The decrease was due to a large refund of unexpended Small Equipment Grant funds from Fiscal Year 2015, which was collected in Fiscal Year 2016. A similar refund did not occur in Fiscal Year 2017.

**Underground Storage Tank Fund - 072**

Underground Storage Tank Fines and Penalties

The decrease was due to more fines collected in Fiscal Year 2016. Fines are collected for judgements against owners of underground storage tanks for violations. Fines are unpredictable and vary from year to year.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**FISCAL YEAR 2018**

**Fire Prevention Fund - 047**

Operation of Automotive Equipment

The April, May, and June fuel card bills were not processed until the Lapse Period.

Chicago Fire Department Training Program

The fourth quarter grant payment request was not received until the Lapse Period.

Small Equipment Grant Program

The Fiscal Year 2018 grant payments were not processed until the Lapse Period.

**Underground Storage Tank Fund - 072**

State's Underground Storage Program

A payment request was not received by the grantee until the Lapse Period.

**Illinois Firefighters' Memorial Fund - 510**

Firefighters' Memorial

The Office did not receive an invoice until the Lapse Period.

**FISCAL YEAR 2017**

**Fire Prevention Fund - 047**

Telecommunications Services

April and May phone bills were not processed until the Lapse Period.

Operation of Automotive Equipment

The April, May, and June fuel card bills were not processed until the Lapse Period.

Fire Explorer and Cadet School

A payment request was not received by the grantee until the Lapse Period.

Senior Officer Training

A payment request was not received by the grantee until the Lapse Period.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**FISCAL YEAR 2017 (Continued)**

**Fire Prevention Fund - 047 (Continued)**

Chicago Fire Department Training Program

A payment request was not received by the grantee until the Lapse Period.

**Underground Storage Tank Fund - 072**

Contractual Services

The June invoices for the underground storage tank system and building lease were not received until the Lapse Period.

State's Underground Storage Program

A payment request was not received by the grantee until the Lapse Period.

**Illinois Firefighters' Memorial Fund - 510**

Firefighters' Memorial

The Office did not receive an invoice until the Lapse Period.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**ANALYSIS OF ACCOUNTS RECEIVABLE**  
For the Fiscal Years Ended June 30,  
(NOT EXAMINED)

(Amounts Expressed in Thousands)

| <b>General Revenue Fund - 001</b> | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   |
|-----------------------------------|---------------|---------------|---------------|
| Current                           | \$ 133        | \$ 140        | \$ 107        |
| 1-30 days                         | 17            | 13            | 17            |
| 31-90 days                        | 29            | 28            | 23            |
| 91-180 days                       | 14            | 26            | 20            |
| 181 days to 1 year                | 16            | 33            | 53            |
| Over 1 year                       | <u>22</u>     | <u>48</u>     | <u>26</u>     |
| Accounts Receivable Gross Balance | \$ 231        | \$ 288        | \$ 246        |
| Less: Estimated Uncollectibles    | <u>(18)</u>   | <u>(38)</u>   | <u>(21)</u>   |
| Accounts Receivable Net Balance   | <u>\$ 213</u> | <u>\$ 250</u> | <u>\$ 225</u> |

These amounts represent receivables related to fees for boiler and pressure vessel safety inspections performed by the Office.

| <b>Fire Prevention Fund - 047</b> | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   |
|-----------------------------------|---------------|---------------|---------------|
| Current                           | \$ 269        | \$ 274        | \$ 238        |
| 1-30 days                         | 34            | 25            | 38            |
| 31-90 days                        | 50            | 48            | 41            |
| 91-180 days                       | 23            | 48            | 37            |
| 181 days to 1 year                | 23            | 53            | 87            |
| Over 1 year                       | <u>52</u>     | <u>94</u>     | <u>52</u>     |
| Accounts Receivable Gross Balance | \$ 451        | \$ 542        | \$ 493        |
| Less: Estimated Uncollectibles    | <u>(41)</u>   | <u>(75)</u>   | <u>(42)</u>   |
| Accounts Receivable Net Balance   | <u>\$ 410</u> | <u>\$ 467</u> | <u>\$ 451</u> |

These amounts represent receivables related to fees for boiler and pressure vessel safety inspections and elevator inspections performed by the Office. The Office invoices the customer for services performed. Past due invoices are sent monthly after 45 days. If payment is not received, the customer's certificate is withheld.

| <b>Underground Storage Tank Fund - 072</b> | <u>2018</u>     | <u>2017</u>     | <u>2016</u>     |
|--|-----------------|-----------------|-----------------|
| Current                                    | \$ 1            | \$ -            | \$ -            |
| 1-30 days                                  | 45              | 37              | 48              |
| 31-90 days                                 | 813             | 74              | 96              |
| 91-180 days                                | 146             | 113             | 2,709           |
| 181 days to 1 year                         | 1,257           | 1,556           | 2,357           |
| Over 1 year                                | <u>5,176</u>    | <u>4,121</u>    | <u>2,559</u>    |
| Accounts Receivable Gross Balance          | \$ 7,438        | \$ 5,901        | \$ 7,769        |
| Less: Estimated Uncollectibles             | <u>(4,764)</u>  | <u>(3,664)</u>  | <u>(2,245)</u>  |
| Accounts Receivable Net Balance            | <u>\$ 2,674</u> | <u>\$ 2,237</u> | <u>\$ 5,524</u> |

These amounts represent receivables related to fees for the registration of underground storage tanks by the Office. The Office invoices the customer for services performed. Past due invoices are sent monthly after 45 days. If payment is not received, the customer's certificate is withheld.

Note: This schedule has been derived from accounts receivable reports submitted to the Office of the State Comptroller. However, some of these accounts are in question. See Finding 2018-002.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**BUDGET IMPASSE DISCLOSURES**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

Payment of Prior Year Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Office to pay Fiscal Year 2016 costs using the Office’s Fiscal Year 2017 appropriations for non-payroll expenditures. In addition, Article 998 of Public Act 100-0021 authorized the Office to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the Office’s Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The following chart shows the Office’s payments of its prior period costs using future appropriations:

FISCAL YEAR 2016 INVOICES

| Fund # | Fund Name                            | Paid From Fiscal Year 2017 Appropriations |              | Paid From Fiscal Year 2018 Appropriations |              |
|--------|--------------------------------------|---|--------------|---|--------------|
|        |                                      | Number                                    | Dollar Value | Number                                    | Dollar Value |
| 047    | Fire Prevention Fund                 | -   | \$ -         | -   | \$ -         |
| 072    | Underground Storage Tank Fund        | -   | -            | -   | -            |
| 334    | Ambulance Revolving Loan Fund        | -   | -            | -   | -            |
| 510    | Illinois Firefighters’ Memorial Fund | -   | -            | -   | -            |
| 572    | Fire Truck Revolving Loan Fund       | -   | -            | -   | -            |
| 580    | Fire Prevention Division Fund        | -   | -            | -   | -            |
|        |                                      | -   | \$ -         | -   | \$ -         |

FISCAL YEAR 2017 INVOICES

| Fund # | Fund Name                            | Paid From Fiscal Year 2017 Appropriations |              | Paid From Fiscal Year 2018 Appropriations |              |
|--------|--------------------------------------|---|--------------|---|--------------|
|        |                                      | Number                                    | Dollar Value | Number                                    | Dollar Value |
| 047    | Fire Prevention Fund                 | 1,748                                     | \$21,379,413 | 35  | \$51,277     |
| 072    | Underground Storage Tank Fund        | 223                                       | 4,019,018    | 1   | 1,655        |
| 334    | Ambulance Revolving Loan Fund        | 3   | 74,357       | -   | -            |
| 510    | Illinois Firefighters’ Memorial Fund | 19  | 93,374       | -   | -            |
| 572    | Fire Truck Revolving Loan Fund       | 3   | 2,264,489    | -   | -            |
| 580    | Fire Prevention Division Fund        | 117                                       | 589,661      | -   | -            |
|        |                                      | 2,113                                     | \$28,420,312 | 36  | \$52,932     |

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND  
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

Transactions Involving the Illinois Finance Authority

The Office and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2017.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the Office's vendors participated in the Vendor Payment Program (VPP) or the Vendor Support Initiative Program (VSI) during Fiscal Year 2017.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**INTEREST COSTS ON FISCAL YEAR 2017 INVOICES**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

Prompt Payment Interest Costs

The Office did not incur any prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540). The Office's vendors were paid within 90 days.

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**AVERAGE NUMBER OF EMPLOYEES**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

The following table, prepared from Office records, presents the average number of employees, by function, for the Fiscal Year Ended June 30,

| <u>Function</u>                   | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|-----------------------------------|-------------|-------------|-------------|
| Arson Investigation               | 16          | 15          | 13          |
| Fire Prevention                   | 19          | 20          | 21          |
| Fire Service Outreach             | 2           | 2           | 2           |
| Personnel Standards and Education | 8           | 6           | 7           |
| Petroleum and Chemical Safety     | 23          | 23          | 22          |
| Boiler and Pressure Vessel Safety | 20          | 18          | 18          |
| Elevator Safety                   | 9           | 8           | 8           |
| Technical Services                | 2           | 2           | 2           |
| <br><u>Support Functions</u>      |             |             |             |
| Fire Marshal                      | 1           | 1           | 1           |
| Executive                         | 6           | 7           | 3           |
| Fiscal                            | -           | -           | 1           |
| Internal Audit                    | 1           | 1           | 1           |
| Legal                             | 7           | 5           | 5           |
| Information Technology*           | -           | -           | 6           |
| Special Projects                  | 3           | 3           | 3           |
| Administrative                    | 4           | 4           | 4           |
|                                   | <hr/>       | <hr/>       | <hr/>       |
| Total Average Full-time Employees | <u>121</u>  | <u>115</u>  | <u>117</u>  |

\*In Fiscal Year 2017, the Information Technology staff members were transferred to the Department of Innovation and Technology (DoIT).

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**EMERGENCY PURCHASES**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

The Office reported the following emergency purchase to the Office of the Auditor General during Fiscal Year 2018:

| Description  | Estimated Cost    |
|--|-------------------|
| This was a one-time purchase of 23 vehicles which were previously ordered under an executed master contract. The contract was canceled as the vendor, Wright Automotive, could no longer provide the vehicles. The Office contracted with Morrow Brothers Ford Inc. as the vehicles originally ordered were on the lot at Morrow Brothers Ford Inc., and were ready for the Office to take possession. | \$ 594,320        |
| <b>Total Estimated Cost of Emergency Purchase</b>  | <b>\$ 594,320</b> |

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

The following compilation of data from Office records is as of and for the Fiscal Years ended June 30,

**Arson Investigation Division**

Mission Statement: To provide fire investigation and law enforcement services to the citizens of the State of Illinois through complete and thorough investigations, evidence collection, and professional expert testimony in court proceedings.

|                              | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|------------------------------|-------------|-------------|-------------|
| Fire Investigations          | 1,024       | 1,015       | 1,039       |
| Canine Investigations        | 176         | 245         | 390         |
| Investigators as of June 30, | 16          | 17          | 10          |

**Boiler and Pressure Vessel Safety Division**

Mission Statement: To regulate the construction, installation, inspection, and repair of boilers and pressure vessels to ensure conformity with all adopted safety codes and standards.

|   | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|-------------|-------------|-------------|
| Active Boilers and Pressure Vessels<br>Requiring Inspections                      | 99,090      | 99,600      | 99,615      |
| Inspections Performed   | 44,642      | 48,059      | 46,732      |
| Percentage of Boiler and Pressure Vessels which<br>are Past Due for an Inspection | 1.86%       | 1.90%       | 1.25%       |
| Investigators as of June 30,  | 22          | 17          | 15          |

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**Elevator Safety Division**

Mission Statement: To ensure that conveyances are correctly and safely installed and operated within the State by regulating the design, installation, construction, operation, inspecting, testing, maintenance, and alteration of conveyances.

|  | <b><u>2018</u></b> | <b><u>2017</u></b> | <b><u>2016</u></b> |
|--|--------------------|--------------------|--------------------|
| Conveyance Inspections Performed           | 36,064             | 35,640             | 35,101             |
| Contractor Licenses Issued                 | 24                 | 56                 | 22                 |
| Inspector Licenses Issued                  | 71                 | 77                 | 84                 |
| Mechanic Licenses Issued                   | 354                | 993                | 356                |
| Apprentice Licenses Issued                 | 108                | 137                | 138                |
| Inspection Company Licenses Issued         | 13                 | 20                 | 14                 |
| Average Number of Employees as of June 30, | 8                  | 9                  | 8                  |

**Fire Prevention Division**

Mission Statement: To prevent the loss of life and damage to property through effective and efficient enforcement of State fire safety codes.

|   | <b><u>2018</u></b> | <b><u>2017</u></b> | <b><u>2016</u></b> |
|---|--------------------|--------------------|--------------------|
| Fire Prevention Inspections               | 9,502              | 10,514             | 12,329             |
| Fire Prevention Inspectors as of June 30, | 21                 | 21                 | 13                 |

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**Personnel Standards and Education Division**

Mission Statement: To promote and protect the health, safety, and welfare of the public and to encourage and aid municipalities, counties, and other local governmental agencies by maintaining a high level of training for fire service personnel.

|   | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|-------------|-------------|-------------|
| Fire Departments Participating                                    | 882         | 925         | 961         |
| Examinations  | 12,796      | 11,439      | 8,947       |
| Certifications  | 10,164      | 11,591      | 11,125      |
| Fire Department Personnel Submitted for<br>Training Reimbursement | 873         | 1,012       | 994         |
| Average Number of Employees as of June 30,                        | 8           | 6.5         | 7           |

**Technical Services Division**

Mission Statement: To ensure an understanding of, and compliance with, the State's fire safety and petroleum storage rules by offering plan review, engineering, and continuing education efforts delivered to both Office personnel and the regulated community.

|  | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|-------------|-------------|-------------|
| Building, Renovation, Fire Suppression, and<br>Detection System Plans Reviewed | 179         | 236         | 309         |
| Applications Reviewed for AST and<br>LPG-Tank Work                             | 464         | 719         | 894         |
| Telephone, Email, and Written Inquiries Handled                                | 5,804       | 6,182       | 5,475       |
| Employee Training Hours Delivered  | 884         | 1,127       | 575         |
| Average Number of Employees as of June 30,                                     | 1           | 2           | 2           |

STATE OF ILLINOIS  
OFFICE OF THE STATE FIRE MARSHAL  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**Petroleum and Chemical Safety Division**

Mission Statement: To protect against the threat to human safety and contamination of the environment that can occur by the underground storage of petroleum products and other hazardous substances through prevention, education, and enforcement.

|  | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|-------------|-------------|-------------|
| Active Underground Storage Tanks (USTs)    | 19,257      | 19,331      | 19,630      |
| USTs Maintained                            | 118,671     | 118,658     | 118,014     |
| UST Facility Inspections                   | 11,148      | 11,414      | 11,142      |
| Eligibility Applications Received          | 306         | 303         | 314         |
| Motor Fuel Dispensing Facility Inspections | 3,104       | 3,157       | 3,183       |
| Average Number of Employees as of June 30, | 23          | 24          | 22          |