

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

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2020

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2020

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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 - Present)	Mr. Dale Simpson
Chief Operating Officer (07/01/2018-05/24/2019)	Mr. Kent Tomblin
Senior Policy Advisor (07/05/2019 - Present)	Mr. Fred Schneller
Senior Policy Advisor (07/01/2018-07/04/2019)	Vacant
General Counsel	Mr. Matthew Taksin
Chief Internal Auditor	Mr. Marty Paul

The Office's primary administrative offices are located at:

1035 Adlai Stevenson Drive
Springfield, Illinois 62703

2309 West Main Street
Marion, Illinois 62959

100 West Randolph Street
James R. Thompson Center, Suite 4-600
Chicago, Illinois 60601



OFFICE OF THE ILLINOIS STATE FIRE MARSHAL

JB Pritzker, Governor
Matt Perez, State Fire Marshal

STATE COMPLIANCE EXAMINATION

MANAGEMENT ASSERTION LETTER

Honorable Frank J. Mautino
Auditor General
State of Illinois
740 East Ash Street
Springfield, Illinois 62703-3154

October 26, 2021

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 Illinois Office of the State Fire Marshal (Office). 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 Office's compliance with the following specified requirements during the two-year period ended June 30, 2020. Based on this evaluation, we assert that during the years ended June 30, 2019, and June 30, 2020, the Office has materially complied with the specified requirements listed below.

- A. The Office 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 Office 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 Office 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 Office 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 Office on behalf of the State or held in trust by the Office have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

State of Illinois, Office of the State Fire Marshal

SIGNED ORIGINAL ON FILE

Matthew Perez, State Fire Marshal

SIGNED ORIGINAL ON FILE

Ronny Wickenhauser, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Matthew Taksin, General Counsel

STATE OF ILLINOIS
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COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and 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 contains an adverse opinion on compliance and identifies material weaknesses in internal control over compliance.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	Report	Report
Findings	21	12
Repeated Findings	10	2
Prior Recommendations Implemented or Not Repeated	2	3

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First</u> <u>Report</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2020-001	12	2018	Failure to Perform School Fire Inspections or Report Violations	Material Weakness and Material Noncompliance
2020-002	15	New	Failure to Perform Timely Licensing Inspections at Child Care Facilities and Community-Integrated Living Arrangements	Material Weakness and Material Noncompliance

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<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2020-003	17	New	Inadequate Enforcement Program	Material Weakness and Material Noncompliance
2020-004	19	New	Inadequate Controls over High Pressure Boiler Inspections	Material Weakness and Material Noncompliance
2020-005	22	New	Lack of Interagency Agreements with the Department of Public Health	Material Weakness and Material Noncompliance
2020-006	24	2018/2016	Failure to Establish and Maintain a Statewide Arsonist Database	Material Weakness and Material Noncompliance
2020-007	26	2018	Inadequate Controls over Monthly Reconciliations and Expenditure Records	Material Weakness and Material Noncompliance
2020-008	29	New	Lack of Due Diligence over ERP Transition	Material Weakness and Material Noncompliance
2020-009	31	New	Inadequate Controls over Employee Personnel Files and Payroll Expenditures	Material Weakness and Material Noncompliance
2020-010	35	New	Inadequate Controls over Contractual and Interagency Agreements	Material Weakness and Material Noncompliance
2020-011	39	2018	Inadequate Controls over Receipts	Material Weakness and Material Noncompliance
2020-012	42	2018	Inadequate Controls over Fees	Material Weakness and Material Noncompliance

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<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE) - Continued				
2020-013	45	2018	Inadequate Controls over Grant Agreements	Material Weakness and Material Noncompliance
2020-014	48	New	Inadequate Controls over Travel	Material Weakness and Material Noncompliance
2020-015	51	2018	Inadequate Controls over State Vehicles	Material Weakness and Material Noncompliance
2020-016	54	2018	Inadequate Controls over State Property	Material Weakness and Material Noncompliance
2020-017	58	2018	Failure to Timely Implement Statutory Changes	Significant Deficiency and Noncompliance
2020-018	60	New	Failure to Comply with the Illinois Fire Protection Training Act	Significant Deficiency and Noncompliance
2020-019	61	2018/2006	Inadequate Controls over Performance Evaluations	Significant Deficiency and Noncompliance
2020-020	63	New	Lack of Agreement to Ensure Compliance with IT Security Requirements	Significant Deficiency and Noncompliance
2020-021	65	New	Inadequate Controls over Missing IT Equipment	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

A	66	2018	Weaknesses with Payment Card Industry Data Security Standards
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<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
PRIOR FINDINGS NOT REPEATED - Continued				
B	66	2018	Untimely Inspections of Boilers and Pressure Vessels	

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Office personnel at an exit conference on October 21, 2021.

Attending were:

Office of the State Fire Marshal

Matthew Perez, State Fire Marshal
Alix Armstead, Deputy Director
Ronny Wickenhauser, Chief Administrative Officer
Dale Simpson, Chief Operating Officer
Marty Paul, Chief Internal Auditor
Jodi Schrage, Human Resources

Office of the Auditor General

Jennifer Rankin, Audit Manager
Joseph Parochetti, Audit Supervisor
Kayla Routh, Staff Auditor
Timothy Feltman, Staff Auditor
Samantha Fritz, Staff Auditor
Matthew Gnadinger, Staff Auditor
Gabrielle Jones, Audit Intern

The responses to the recommendations were provided by Marty Paul, Chief Internal Auditor, in a correspondence dated October 26, 2021.

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 S-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 compliance by the State of Illinois, Office of the State Fire Marshal (Office) with the specified 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, 2020. Management of the Office is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Office 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 Office 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 Office 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 Office 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 Office on behalf of the State or held in trust by the Office 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*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Office complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

Our examination does not provide a legal determination on the Office's compliance with the specified requirements.

Our examination disclosed material noncompliance with the specified requirements during the two years ended June 30, 2020. As described in items 2020-001 through 2020-021 in the accompanying Schedule of Findings, the Office did not comply with the specified requirements. Items 2020-001 through 2020-016 are each considered to represent material deviations from the specified requirements. As described in the accompanying Schedule of Findings as items 2020-007 through 2020-013 and 2020-016, the Office had not 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. As described in the accompanying Schedule of Findings as items 2020-007 through 2020-013 and 2020-016, the Office had not 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. As described in the accompanying Schedule of Findings as items 2020-001 through 2020-016, the Office had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. As described in the accompanying Schedule of Findings as items 2020-011 and 2020-012, the Office had not ensured the State revenues and receipts collected by the Office were in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts was fair, accurate, and in accordance with law. As described in the accompanying Schedule of Findings as items 2020-008 and 2020-011, money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office had not been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Items 2020-017 through 2020-021 individually would have been regarded as significant noncompliance with the specified requirements; however, when aggregated, we determined these items constitute material deviations with the specified requirements.

In our opinion, because of the significance and pervasiveness of the material deviations from the specified requirements described in the preceding paragraph, the Office did not comply with the specified requirements during the two years ended June 30, 2020, in all material respects.

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

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Internal Control Over Compliance

Management of the Office is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Office's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Office's compliance with the specified requirements and to test and report on the Office's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2020-001 through 2020-016 to be material weaknesses.

A *significant deficiency in internal control* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2020-017 through 2020-021 to be significant deficiencies.

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

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

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. 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 the Office's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2020, and June 30, 2019, in Schedules 1 through 6 and the Analysis of Operations section are presented for purposes of additional analysis. Such information is the responsibility of Office management. Because of the significance of the matters described in the accompanying Schedule of Findings as items 2020-001 through 2020-021, it is inappropriate to, and we do not, express an opinion on the supplementary information referred to above.

SIGNED ORIGINAL ON FILE

JANE CLARK, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
October 26, 2021

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2020

2020-001. **FINDING** (Failure to Perform School Fire 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 (superintendent).

During testing, we noted the following:

- The Office did not perform annual fire safety inspections of each public school within the State. We noted 1,218 of 3,461 (35%) and 1,248 of 3,447 (36%) schools were not inspected during Fiscal Year 2019 and Fiscal Year 2020, 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.

- Due to insufficient documentation, we were unable to determine whether 1 of 60 (2%) inspections selected for testing was performed and whether violations were submitted to the superintendent, if violations were noted.

The Code (105 ILCS 5/3-14.21(c)) requires the Office to conduct an annual fire safety inspection of each school building in the State. Furthermore, the State Records Act (5 ILCS 160/8) requires the Office to make and preserve records containing adequate and proper documentation of the organization's functions.

- The Office did not have sufficient controls in place to ensure violations identified during school inspections performed by qualified fire officials to whom the Office delegated its authority during the examination period were sent to the superintendent within 15 days of the completed inspection. More specifically, all of the school inspection reports are entered into the Office's Fire Prevention System (Mobile Eyes), and once approved, the report is automatically emailed to the superintendent. The Office does not monitor the time between the date of inspection and when the inspection report is entered into Mobile Eyes.

The Code (105 ILCS 5/3-14.21(c)) requires the Office to report any violations in writing to the regional superintendent and reference the specific code selection where a discrepancy has been identified within 15 days after the inspection has been conducted. Furthermore, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Office to establish and maintain a system, or systems, of controls to provide

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assurance that resources are utilized efficiently, effectively, and in compliance with the applicable law.

- Forty-eight of 60 (80%) sampled inspections of public schools conducted by the Office during the examination period contained violations noted by the inspector. For those 48 inspections containing violations, we noted the following:
 - Seventeen (35%) reports with violations did not have evidence the report had been submitted to the superintendent.
 - Six (13%) reports with violations were reported to the superintendent between 3 and 26 days late.

The Code (105 ILCS 5/3-14.21(c)) requires the Office 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 a sufficient amount of the school district's general State aid or evidence-based funding so the superintendent can enter into contracts to correct the outstanding violations. During a hearing, after 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.

As in the prior examination, Office management stated it does not have the resources necessary to ensure all schools within the State are inspected annually. Office management also stated the fire department is responsible for sending the inspection report to the applicable superintendent. Additionally, Mobile Eyes lacks the necessary controls to ensure fire departments are submitting violations to the superintendents as required. Further, Office management stated the untimely inspections were exacerbated due to the complications with restrictions on inspections during the COVID-19 pandemic. Due to implementing adequate safety measures, the Office did not perform inspections from March 2020 through June 2020.

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Failure to perform fire safety inspections at all public schools and properly report violations increases the risk that schoolchildren are being educated in dangerous and unsafe conditions and represents material noncompliance with the Code. (Finding Code No. 2020-001, 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. The Office will work with the Governor and General Assembly to ensure sufficient resources exist to timely conduct public school building inspections. Additionally, the Office is competitively procuring a new inspection system which will increase internal controls noted by the accountants (to provide assurance violations reports are timely sent to the applicable superintendent).

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2020-002. **FINDING** (Failure to Perform Timely Licensing Inspections at Child Care Facilities and Community-Integrated Living Arrangements)

The Office of the State Fire Marshal (Office) did not perform all inspections requested by licensing agencies in a reasonable timeframe. The Office is required to provide the necessary fire inspections for agencies under various licensing acts. The Office receives requests for inspections directly from the licensing agency through the Fire Prevention System.

During testing, we noted the following:

- Eighteen of 60 (30%) inspections selected for testing of Child Care Facilities, requested by the Department of Children and Family Services per the Child Care Act of 1969 (225 ILCS 10/5.7), were not performed on a timely basis from the date the request was received by the Office from the licensing agency. Inspections were performed between 1 and 134 days after the reasonable 60 day turnaround time as determined by the auditor.

The Child Care Act of 1969 (225 ILCS 10/5.7(b)) requires the Office to perform the necessary fire inspections to comply with licensing requirements for child care facilities licensed under the act.

- Eighteen of 60 (30%) inspections selected for testing of Community-Integrated Living Arrangements, requested by the Department of Human Services per the Community-Integrated Living Arrangements Licensure and Certification Act (210 ILCS 135/13(b)), were not performed on a timely basis from the date the request was received by the Office from the licensing agency. Inspections were performed between 7 and 162 days after the reasonable 60 day turnaround time as determined by the auditor.

The Community-Integrated Living Arrangements Licensure and Certification Act (210 ILCS 135/13) requires the Office to perform the necessary fire inspections to comply with licensing requirements for community-integrated living arrangements licensed under the act.

Additionally, after the accountants performed their sample testing, Office management stated it had a backlog of 1,339 requested fire prevention inspections (not counting schools or prisons) as of June 30, 2020.

Office management stated a majority of the backlog is due to not having the resources to meet the demands of the larger regions in the State. Office management also stated the untimely inspections were exacerbated due to the complications with restrictions on inspections during the COVID-19 pandemic. Due to implementing adequate safety measures, the Office did not perform inspections from March 2020

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through June 2020. Further, Office management stated the Office prioritizes requests based on license expiration dates rather than when it receives the request for the inspection.

Failure to perform timely licensing inspections as requested by the appropriate party increases the risk of facilities operating under expired licenses and represents material noncompliance with State law. It also increases the risk that residents of these facilities could be living in a potential dangerous and unsafe living condition(s). (Finding Code No. 2020-002)

RECOMMENDATION

We recommend the Office work with the Governor and the General Assembly to ensure sufficient resources exist to timely conduct facility licensing inspections.

OFFICE RESPONSE

We agree. The Office will work with the Governor and General Assembly to ensure sufficient resources exist to timely conduct facility licensing inspections.

STATE OF ILLINOIS
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2020-003. **FINDING** (Inadequate Enforcement Program)

The Office of the State Fire Marshal (Office) failed to implement an adequate enforcement program to ensure compliance with the Elevator Safety and Regulation Act (Act).

The Act (225 ILCS 312/105) states it is the Office's responsibility to develop an enforcement program to ensure compliance with the rules and requirements referenced in the Act. The Office codified its rules governing the enforcement of the program in the Illinois Administrative Code (Code) (41 Ill. Admin. Code 1000). The Code (41 Ill. Admin. Code 1000.150) requires the owner of the conveyance system to apply annually for a certificate of operation. Along with the application, the owner is required to provide to the Office a copy of the most recent annual inspection indicating the system has passed inspection by a licensed elevator inspector.

During our testing of the timeliness of conveyance inspections, we noted 15 of 60 (25%) selected conveyance systems did not have an annual inspection performed on them as required by the Code (41 Ill. Admin. Code 1000.140). Furthermore, after noting the lack of inspections, we requested the Office run a detailed report (dated May 14, 2021) to document all active conveyance systems under the Office's jurisdiction which had expired certificates of operations. The report showed 3,999 of 14,282 systems had expired certificates of operation.

Based on the lack of inspections and the number of systems with expired certifications of operation, we determined the Office has not implemented an adequate enforcement program to ensure compliance with the Act.

Office management stated the Office lacks the resources to enforce the requirements of the Act. Additionally, Office management stated the COVID-19 pandemic caused additional complications with performing conveyance inspections.

Failure to implement an adequate enforcement program to ensure the owners of conveyance systems apply annually for certificates of operation and ensure annual conveyance inspections are performed as required by the Act represents an increased risk of compromising the safety of the general public when it utilizes conveyance systems operated within the State. Additionally, it also represents material noncompliance with State law. (Finding Code No. 2020-003)

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RECOMMENDATION

We recommend the Office implement an adequate enforcement program to ensure compliance with the Elevator Safety and Regulation Act. In addition, we recommend the Office work with the Governor and the General Assembly to ensure sufficient resources exist to adequately review and approve certifications applied for by owners of conveyance systems.

OFFICE RESPONSE

We partially agree. Even though the Office has developed what we believe to be an adequate Enforcement Plan, it does not have sufficient resources to ensure compliance with the Elevator Safety and Regulation Act.

The Elevator Division is comprised of 7 staff which oversee approximately 36,000 elevators and 180 municipality agreements. It should be noted that third-party elevator companies actually conduct the inspections. Due to these circumstances, the accountants noted 25% of the conveyances tested did not have the annual inspection per the Act.

The Office passed a rule which will not let an elevator company work on an elevator unless it is inspected. This rule change has increased compliance considerably.

The Office is re-evaluating the program to look for efficiencies and will work with the Governor and the General Assembly to increase resources in order to decrease the number of elevators out of compliance with the Act.

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2020-004. **FINDING** (Inadequate Controls over High Pressure Boiler Inspections)

The Office of the State Fire Marshal (Office) did not have sufficient controls over the performance of high pressure boiler inspections required by the Boiler and Pressure Vessel Safety Act (Act).

After selecting a sample of high pressure boilers under the Office's jurisdiction during the examination period and testing the required inspections, the accountants noted 11 of 60 (18%) items selected for testing were not purposed as high pressure boilers by the State. Hence, the accountants noted the Office failed to provide a complete and accurate population of high pressure boilers during the examination period.

Office management indicated the compiling of an inaccurate population was partially due to the Office's current system being incapable of properly producing a list of all high pressure boilers operated within the State and partially due to human error of not reviewing the population prior to supplying it to the accountants.

Due to this condition, the accountants 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 high pressure boiler inspections.

Even given the population limitation noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, the accountants performed testing and noted the following:

- For 2 of 98 (2%) annual internal high pressure boiler inspections required for the 60 boilers selected for testing, the Office did not perform the inspections.
- The Office did not have sufficient controls to ensure documentation was maintained supporting external inspections were performed during the examination period. Due to this condition, the accountants could not determine if the inspections were completed as required by the Act for 39 of 49 (80%) annual external high pressure boiler inspections required for the 60 boilers tested.

The Act (430 ILCS 75/10(a)(1)) requires high pressure boilers proposed to be used within the State be inspected by the Office or an external special inspector annually. Annual inspections are required for both internal and external inspections of high pressure boilers while they are not under pressure, and external inspections of high pressure boilers while they are under pressure, if possible.

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Office management indicated the above issues were partially due to complications with the COVID-19 pandemic, limiting the ability of the Office to complete inspections as required. Office management also indicated the issues regarding documentation of external inspections was due to a misunderstanding of documentation requirements.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Office to establish and maintain a system, or systems, of controls to provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law.

Failure to perform annual inspections of boiler systems proposed in the State as required by the Act represents a risk of compromising the safety of the general public in regards to power boiler systems purposed in the State. Further, without the Office providing complete and adequate documentation to enable testing, the accountants were impeded in completing their procedures and providing useful and relevant feedback to the General Assembly regarding the Office's compliance with the Act. (Finding Code No. 2020-004)

RECOMMENDATION

We recommend the Office conduct annual inspections as required by the Act. Additionally, we recommend the Office maintain all documentation of external inspections performed by external parties. Finally, we recommend the Office implement a way to create an accurate population of high pressure boilers operated within the State.

OFFICE RESPONSE

We agree. Historically, the Office has a noncompliance rate (regarding timely inspections) of 2-4% out of 100,000 boilers. The Office is looking to add resources to increase compliance.

The Office updated its procedures, and the external inspectors will now document all external high-pressure non-certification inspections before the certificate internal inspection. Additionally, if there was a problem with the external inspection (public safety), it would have been addressed before the internal inspection (the Office could not document this fact due to the lack of external inspection reports).

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The Office will competitively procure a new inspection system which should correct the reporting issue. The Office manually went through the report and believes the correct population was used for testing.

ACCOUNTANT'S COMMENT

We maintain the Office was unable to provide a complete and accurate population of high pressure boilers during the examination period. While the Office made manual corrections to the sample selected for testing, noting which items should not have been included within the population, the Office failed to provide an updated population containing only high pressure boilers.

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2020-005. **FINDING** (Lack of Interagency Agreements with the Department of Public Health)

The Office of the State Fire Marshal (Office) did not have interagency agreements with the Department of Public Health (Department) to ensure fire safety inspections were being performed to comply with licensing requirements for various facilities.

Community Living Facilities Licensing Act

During testing, we noted the Office did not perform fire inspections of community living facilities as required by the Community Living Facilities Licensing Act (210 ILCS 35/8.5).

The Community Living Facilities Licensing Act requires the Office to provide necessary fire inspections to comply with licensing requirements, and states the Office may enter into an agreement with another State agency to conduct this inspection if qualified personnel are employed by the agency.

Office management indicated the Department has adopted the responsibility of conducting inspections of community living facilities; however, the Office did not have a written agreement with the Department in place to ensure inspections were being performed as required.

MC/DD Act

During testing, we noted the Office did not perform fire inspections of medically complex facilities for the developmentally disabled as required by the MC/DD Act (210 ILCS 46/3-216).

The MC/DD Act requires the Office to provide the necessary inspection to comply with licensing requirements and states the Office may enter into an agreement with another State agency to conduct this inspection if qualified personnel are employed by the agency.

Office management indicated the Department has adopted the responsibility of conducting inspection of medically complex facilities for the developmentally disabled; however, the Office did not have a written agreement with the Department in place to ensure inspections were being performed as required.

ID/DD Community Care Act

During testing, we noted the Office did not perform fire inspections of intermediate care facilities for the developmentally disabled as required by the ID/DD Community Care Act (210 ILCS 47/3-216).

The ID/DD Community Care Act requires the Office to provide the necessary inspection to comply with licensing requirements and states the Office may enter

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into an agreement with another State agency to conduct this inspection if qualified personnel are employed by the agency.

Office management indicated the Department has adopted the responsibility of conducting inspections of intermediate care facilities for the developmentally disabled; however, the Office did not have a written agreement with the Department in place to ensure inspections were being performed as required.

As the Office has the overarching responsibility to ensure the inspections are being performed, failure to develop formal interagency agreements detailing the relationship between the Office and the Department increases the risk of inspections not being adequately and timely performed as required at each licensed facility and represents noncompliance with the State law. (Finding Code No. 2020-005)

RECOMMENDATION

We recommend the Office perform the licensing inspections required by the above stated acts to comply with the licensing requirements. Alternatively, we recommend the Office work with the Department to formally reduce the agreements to perform inspections on the Office's behalf to writing.

OFFICE RESPONSE

We agree. The Office will work with the Department of Public Health (DPH) on an agreement to formally delegate its responsibility per the Acts noted by the accountants.

The DPH completes its own inspections and is responsible for licensing. At this time, the DPH can request inspections through the Office request portal if needed.

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2020-006. **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)) requires the Department of State Police to furnish to the Office the registration information concerning persons who are required to register under the Act. Then, the Office is to 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.

The Office was first cited for noncompliance for not establishing and maintaining a database or making such database available to the public via its website during the compliance examination for the two years ended June 30, 2016. In the years since the finding was first noted, the Office has not been successful in correcting the finding.

Office management stated, as it did during the previous examination, that due to a lack of funding, the Department of the 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 the Statewide Arsonist Database and make the 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. 2020-006, 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

We agree. 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 (ISP).

It should be noted that ISP is working on a solution: “The resolution for this finding will be a new LEADS hot file, Persons Required to Register. The current status is

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In Progress. ISP has turned over requirements to our vendor. It is in process of reviewing requirements and drafting a Statement of Work (SOW). As of now, it does not have a timeline for when that development, testing, and implementation will be complete.”

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2020-007. **FINDING** (Inadequate Controls over Monthly Reconciliations and Expenditure Records)

The Office of the State Fire Marshal (Office) did not exercise adequate control over its monthly reconciliations and expenditure records. The Office utilized the Public Safety Shared Services Center (Shared Services) to perform its reconciliations and maintain its expenditure records until December 31, 2019. On January 1, 2020, Shared Services discontinued providing services to the Office. Since then, the Office has been performing its monthly reconciliations and maintaining its expenditure records.

Required Monthly Reconciliations

During testing of the Office's monthly reconciliations, we noted the following:

- Twelve of 31 (39%) monthly reconciliations of the Office's expenditure records to the Comptroller's *Monthly Appropriation Status Report* (SB01) were not completed.
- Sixteen of 31 (52%) monthly reconciliations of the Office's expenditure records to the Comptroller's SB01 were performed 8 to 102 days late.
- Thirty-one of 31 (100%) monthly reconciliations of the Office's records to the Comptroller's *Object Expense/Expenditures by Quarter Report* (SA02) were not completed.
- Thirty-one of 31 (100%) monthly reconciliations of the Office's records to the Comptroller's *Appropriation Transfer Report* (SB03) were not completed.
- Twenty-four of 24 (100%) monthly reconciliations of the Office's records to the Comptroller's *Cash Report* (SB05) were not completed.
- Twelve of 24 (50%) monthly reconciliations of the Office's records to the Comptroller's *Revenue Status Report* (SB04) were not completed.
- Eight of 24 (33%) monthly reconciliations of the Office's records to the Comptroller's SB04 were performed 20 to 149 days late.
- Two of two (100%) monthly reconciliations of the Office's records to the Comptroller's *Obligation Activity Report* (SC15) were not completed.
- Two of two (100%) monthly reconciliations of the Office's records to the Comptroller's *Agency Contract Report* (SC14) were not completed.

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The Statewide Accounting Management System (SAMS) Manual (Procedure 07.30.20) requires the Office to perform reconciliations of its internal records to the Office of Comptroller's (Comptroller) SB01, SA02, SB05, SB04, SC14, and SC15 reports on a monthly basis, within 60 days of the month end.

Expenditure Records

During testing of the Office's expenditure records, we could not reconcile the Office's expenditure records to the Comptroller's expenditures records. Specifically, while attempting the reconciliation, we noted the following:

- The Office's expenditure records contained two vouchers, totaling \$1,618, which appeared on the Office's expenditure data, but did not appear on the Comptroller's records.
- Three vouchers, totaling \$983, did not trace from the Office's expenditure records to the Comptroller's records. We noted these applicable transactions had been reversed on the Comptroller's records, but had not been reversed in the Office's expenditure records.
- The Office's Fiscal Year 2019 payroll expenditure records contained one voucher in which the amount and the voucher number did not trace to the Comptroller's records. The difference between the Office's records and the Comptroller's records was \$29,710.
- The Office's Fiscal Year 2019 and Fiscal Year 2020 expenditure records for the Fire Prevention Fund and the Underground Storage Tank Fund (Fund 047 and Fund 072, respectively) were not able to be traced to the Comptroller's records. Specifically, the differences between the two sets of records totaled \$2,383,297 for Fiscal Year 2019 and \$415,398 for Fiscal Year 2020.
- The Office did not update its Fiscal Year 2020 personal services expenditure records to reflect adjustments, totaling \$62,580, submitted to the Comptroller for the Fire Prevention Division Fund (580).
- The Office had six vouchers, totaling \$50,734, which appeared on the Office's expenditure records as positive amounts in the individual detailed object code columns; however, we noted the amounts should have been negative in order to agree with the voucher total column.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(4)) requires the Office to establish and maintain a system, or systems, of internal fiscal and administrative controls to ensure revenues and expenditures are properly recorded

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and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the State's resources. Management has the ultimate responsibility for the Office's internal control over reporting of financial information. This responsibility should include adequate systems of review of the completeness and accuracy of the Office's financial records.

In the prior examination, Office management indicated the issues noted with performing monthly reconciliations were due to a lack of staffing. In the current examination, Office management continued to indicate the issues noted with performing monthly reconciliations were due to a lack of Shared Services not having enough resources to complete the reconciliations. After taking over the reconciliations from Shared Services, Office management indicated exceptions continued as a result of management error. Office management indicated the issues noted above regarding the Office's expenditure records were also due to management error.

Failure to timely and properly document reconciliations of the Office's records to the Comptroller's reports hinders the ability of staff to identify and correct errors which could result in incomplete or inaccurate financial information and represents noncompliance with the SAMS Manual. Further, failure to maintain adequate expenditure records impairs the Office's ability to identify possible errors and reduces the usefulness and reliability of financial information. (Finding Code No. 2020-007, 2018-007)

RECOMMENDATION

We recommend the Office timely prepare reconciliations as required by the SAMS Manual and maintain adequately detailed expenditure records accurately reflecting expenditures made by the Office.

OFFICE RESPONSE

We agree. The majority of the work referenced in the finding was completed by Public Safety Shared Services and outside of the Office's span of control. The Office anticipates reconciliations to be completed accurately and timely moving forward (reconciliations are now completed by the Office). The Office acknowledges a journal entry was not completed in AIS to reflect the expenditure transfer from the Underground Storage Tank Fund (072) to the Fire Prevention Division Fund (580), as we were not aware that such a transaction could be made in the system. The Office did maintain records of the Expenditure Transfer Request and those documents were provided at the time of the audit. A clear process in the State's new Enterprise Resource Planning (ERP) system exists and will allow for journal entries to be made to address expenditure transfers and the Office will ensure that this process is followed for future transactions.

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2020-008. **FINDING** (Lack of Due Diligence over ERP Transition)

The Office of the State Fire Marshal (Office) lacked due diligence over the transition to the Enterprise Resource Planning (ERP) program.

On January 1, 2020, the Office implemented the State of Illinois' ERP program as its business process management system for tracking assets, contracts, obligations, and vouchers.

As part of the Office's transition to the ERP program, they converted data from the legacy system. In order to determine if the data had converted correctly, we requested the Office's documentation and reconciliation. However, the Office was unable to provide documentation and reconciliation of opening balances to its expenditures, contract obligations, and overall remaining budget.

Further, during the testing of expenditures and reconciliations, we noted material exceptions. See Finding 2020-007.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law and obligations and costs are in compliance with applicable laws. In addition, the Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53 (Fifth Revision)) published by the National Institute of Standards and Technology (NIST), System and Service Acquisition requires entities to develop and conduct system development activities, including reconciliation of converted data to ensure the data converted completely and accurately to the new systems.

Office management stated it completed all activities required by the Department of Innovation and Technology.

The Office's lack of due diligence resulted in a lack of assurance over the accuracy of the data and possible data errors. (Finding Code No. 2020-008)

RECOMMENDATION

We recommend the Office establish controls over reconciliations and conversion of data during system development projects, such as the ERP program.

OFFICE RESPONSE

We agree. The Office acknowledges the inability to provide the documentation and reconciliation requested. The Office believes it did its due diligence in the transition

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to the new ERP system as it completed all tasks required of it by the State's ERP transition team. The Office worked for nearly a year on the transition, including participating in several mock conversion cycles which involved sending data to the new system to ensure all data loaded properly into the system and to ensure all data reconciled. In each conversion cycle the agency signed off on the data, with the sign off indicating that the records transferred were clean and they reconciled. This signoff included a final data conversion and reconciliation prior to system go-live. In addition to the mock conversion cycles, the agency engaged in user acceptance testing to ensure the system operated as it should. Finally, the agency participated in the assignment of user roles and worked to ensure that all user roles maintained the appropriate segregation of duties.

Office Internal Audit completed a system pre-implementation review which concluded that the ERP system had applicable system access, signoffs, and testing. Internal Audit also concluded that users had applicable training.

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2020-009. **FINDING** (Inadequate Controls over Employee Personnel Files and Payroll Expenditures)

The Office of the State Fire Marshal (Office) did not maintain adequate internal controls over its employee personnel files and payroll expenditures. The Office utilized the Public Safety Shared Services Center (Shared Services) to maintain its personnel records until July 31, 2019 and to process its payroll expenditures until December 31, 2019. On August 1, 2019, and January 1, 2020, respectively, Shared Services discontinued providing these services to the Office. Since then, the Office has been handling the maintenance of employee files and processing of payroll expenditures.

Employee Payroll Expenditures

During testing, we noted the following:

- Five of 60 (8%) personal service expenditure vouchers selected for testing, totaling \$240,988, could not be located by the Office. Therefore, we could not determine if the vouchers were processed timely and properly.
- Personnel files for 4 of 15 (27%) terminated employees selected for testing did not include adequate support for the recalculation of their final payout amounts. Therefore, we could not test the accuracy of the amounts paid out, which totaled \$20,228.
- Five of 15 (33%) terminated employees selected for testing received inaccurate final payouts. The amount underpaid by the Office in these instances totaled \$689.

Office management indicated the vouchers and support for final payouts were lost in the file transition from the Public Safety Shared Service Center to the Office when the Public Safety Shared Service Center was disbanded. Office management further indicated the underpayments were due to employee error.

Employee Personnel Files

- Two of 28 (7%) employees tested did not have an Employment Eligibility Verification Form (Form I-9) in his or her employee file.
- The Employee Section of the Form I-9 for 4 of 28 (14%) employees tested was not properly filled out. For two of the employees, Section B was not completed. For the other two employees, the certification box was not signed by the employer or authorized representative.

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- One of 28 (4%) employees tested did not timely complete their Form I-9. The employee completed their Form I-9 687 days after their employment began.

Per the instructions for Form I-9 published by the Department of Homeland Security (OMB No. 1615-0047), employers must complete Form I-9 to document verification of the identity and employment authorization of each new employee (both citizen and noncitizen) hired after November 6, 1986, to work in the United States and are required to retain the form as well. Additionally, employees must complete Form I-9, Section 1 no later than the time of hire, which is the actual beginning of employment and employers must complete Form I-9, Section 2 within three business days of the date employment begins.

- Seven of 10 (70%) employees tested submitted his or her timesheets after the close of business on the 15th or the last day of the month following the applicable pay period. Untimely submission was noted for 13 of 77 (17%) timesheets tested, ranging from 1 to 7 days late.

The Office's Employee Handbook, Section 6-9(A)(4), requires employees to submit timesheets by the end of the first workday following the end of the pay period. Pay periods end at the close of business on the 15th and the last day of the month.

- Seven of 10 (70%) employees tested submitted his or her leave slips after the employee already took the leave. Untimely submission was noted for 19 of 201 (9%) leave slips tested, ranging from 1 to 21 days late. All exceptions in leave time related to personal and vacation leave.

The Office's Employee Handbook, Section 7-1, requires the employee to make a request for the time off and obtain approval from his or her immediate supervisor prior to the leave.

Office management indicated the issues noted above were due to employee error and the transition of files and duties from Shared Services to the Office when it disbanded.

The State Records Act (5 ILCS 160/8) requires the Office to make and preserve records containing adequate and proper documentation of the policies, decisions, and procedures designed to protect the legal and financial rights of the State.

Additionally, 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 control to provide assurance that funds, property, and other

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assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Management has the ultimate responsibility for the Office's internal control over reporting of financial information. This responsibility should include adequate systems of review of the completeness and accuracy of the Office's financial records.

Failure to maintain copies of payroll vouchers and final payout documentation is noncompliance with State law and is considered a material weakness in internal controls over record retention. Further, it increases the risk of fraud, abuse, or misuse of State resources. Inaccuracies in final payout amounts can lead to the Office over or under paying employees which is considered misuse of State funds. Failure to establish and maintain adequate controls over employee files and employee submissions of time off could lead to errors in employee leave balances, employee time worked, and assurance all individuals are legally able to work. (Finding Code No. 2020-009)

RECOMMENDATION

We recommend the Office strengthen its controls over payroll processing and ensure documentation, including Form I-9s and details of final pay to separating employees is maintained. We also recommend the Office implement procedures to ensure the timely submission of timesheets and ensure the use of leave time is pre-approved in accordance with Office policies.

OFFICE RESPONSE

We agree. The Office completed the transition of all Fiscal and Personnel functions from the Public Safety Shared Services Center (PSSSC) to the Office of the State Fire Marshal. With this transition, the Office is in a good position with staff and expertise to decrease any issues in Fiscal or Personnel. See below responses to the dot points noted by the accountants above.

Employee Payroll Expenditures

Dot points 1 and 2 regarding missing documentation:

The Office made considerable effort to find the missing documentation and at this point must consider it lost and will have to assume the payouts were completed correctly by the PSSSC.

Dot point 3 regarding the \$689 net underpayment was due to employee error.

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Employee Personnel Files

Dot points 1 through 3 regarding Form I-9:

The Office's review determined that the files were maintained, and employee orientations were completed at the PSSSC. The Office worked with employees to obtain Form I-9 and applicable information. Additionally, Form I-9 is currently part of the OSFM employee orientation process and the HR manager works with employees to make sure they are completed correctly.

Dot point 4 regarding late timesheets:

Employees are encouraged to complete timesheets as soon as possible after the first workday following the end of the time period. This is encouraged so timekeeping and payroll can close on their scheduled due dates. The current Office Attendance Tracking system sends out reminders daily (after the time period ends) to ensure timely submission. The Office has updated the employee handbook to reflect this process.

Dot point 5 regarding late leave slips:

Sick time is the only type of benefit time that can be submitted after the time has been taken. OSFM will continue to remind employees that when at all practical, employees should submit leave requests prior to the time being taken and document this in the Office's Attendance Tracking system. For the occurrences identified in this audit, employees had notified their supervisor and received either verbal or email written approval to take the time.

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2020-010. **FINDING** (Inadequate Controls over Contractual and Interagency Agreements)

The Illinois Office of the State Fire Marshal (Office) did not exercise adequate control over contractual and interagency agreements.

Contractual Agreements

During testing of contractual agreements, we noted the following:

- For one of five (20%) agreements tested, totaling \$665,610, the Contract Obligation Document (COD) was not properly completed. We noted an incorrect Award Code was entered on the COD.

The Statewide Accounting Management System (SAMS) Manual (Procedure 15.20.10) states the Award Code identifies the method used to select the vendor associated with the contract/grant.

- One of five (20%) agreements tested was not approved prior to the performance of services or receipt of goods. The contract was approved 398 days after the performance of services and receipt of goods.

The Illinois Procurement Code (Code) (30 ILCS 500/20-80(d)) requires vouchers not be submitted to the Comptroller for a warrant to be drawn for the payment of money from the State treasury or from other funds held by the State Treasurer on account of any contract unless the contract is reduced to writing before the services are performed and filed with the Comptroller. The Code further requires contractors not be paid for any supplies that were received or services that were rendered before the contract was reduced to writing and signed by all necessary parties.

Office management indicated the incorrect COD was a data entry error. Further, Office management indicated the other issue was caused by management oversight regarding statutorily required procedures.

Interagency Agreements

After selecting a sample of interagency agreements and completing testing of the examination procedures, we noted the Office failed to provide a complete population of interagency agreements in effect during the examination period. Specifically, we discovered an interagency agreement between the Office and the Illinois Fire Service Institute (IFSI) was not included in the initial population of interagency agreements originally provided to the auditor.

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Office management indicated the compiling of an incomplete population was due to human error as the population was compiled manually.

Due to this condition, we concluded the Office's population records for interagency agreements were not sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35).

Even given the population limitations noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, the accountants noted the following issues:

- One of five (20%) interagency agreements tested was not signed by the appropriate parties and agreed to in a timely manner. Specifically, we noted the interagency agreement with the Department of Innovation and Technology (DoIT) was signed by all appropriate parties 191 days after the commencement date.

Office management indicated the late signing of the interagency agreement was due to management oversight.

- For one of five (20%) interagency agreements tested, the Office was not in compliance with the agreement. Specifically, we noted the Office submitted its Fiscal Year 2019 and Fiscal Year 2020 Annual Reports to the Illinois Finance Authority (Authority) one and six days late, respectively.

The intergovernmental agreement with the Authority requires the Office to submit annual reports to the Authority within 30 days of the fiscal year-end.

Office management indicated the untimely submission of the Annual Reports was due to employee error.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(4)) requires the Office to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are used efficiently, effectively, and in compliance with law and that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls require execution of a written intergovernmental agreement prior to the start of the agreement period and the commencement of services to protect the entities' legal interests and to ensure both parties understand their rights, responsibilities, deliverables, and due dates.

Failure to properly administer contractual and interagency agreements to ensure compliance with all applicable statutes and procedures could potentially

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compromise public accountability, oversight, and result in improper use and payment of State funds. Further, without the Office providing complete and adequate documentation to enable testing, the accountants were impeded in completing their procedures and providing useful and relevant feedback to the General Assembly regarding the Office's compliance with its interagency agreements. (Finding Code No. 2020-010)

RECOMMENDATION

We recommend the Office implement the necessary controls to adequately administer and record its contractual and interagency agreements and ensure compliance with applicable statutes. Finally, we recommend the Office implement a way to create a complete and accurate population of interagency agreements.

OFFICE RESPONSE

We agree.

Failure to include the proper code on the Contract Obligation Document (COD) was due to employee error. The Office will work to ensure that proper codes are included on CODs.

While the Office understands the accountant's concerns with regard to the contract signature date, the Office believes that the contract was not executed late (invoices were not paid prior to the execution of the contract).

The Office signed the IGA referenced by the accountants as soon as it was presented to the Office. The Office will work with DoIT to ensure that future IGA's are provided to the Office prior to the begin date of the IGA.

The Office agrees that required reports were not submitted timely. The Office will work to ensure that all reports are filed in accordance with the requirements of the IGA's.

The population issue noted was an error and the correct population was used for testing.

ACCOUNTANT'S COMMENT

The Office contradicts itself with its response by agreeing with the finding while simultaneously stating the contract was not executed late due to the invoices being paid after the execution of the contract. We do not dispute the fact the invoices were paid after the execution of the contract; however, as stated in the finding, the Office

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received the goods and services laid out in the agreement prior to the contract being executed.

Further, we maintain the Office was unable to provide a complete and accurate population of interagency agreements. While the Office indicated the population of interagency agreements was accurate after the inclusion of the agreement discovered by us, we were unable to conclude whether there were other agreements not included on the initial listing.

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2020-011. **FINDING** (Inadequate Controls over Receipts)

The Office of the State Fire Marshal (Office) did not maintain adequate internal controls over its receipt processing. The Office utilized the Public Safety Shared Services Center (Shared Services) to perform its receipt processing until March 31, 2019. On April 1, 2019, Shared Services discontinued providing services to the Office. Since then, receipts have been processed by the Office.

During testing, we noted the following:

- The Office failed to maintain adequate segregation of duties over its receipt processing procedures. More specifically, we noted one individual performed three parts of the transaction cycle, including:
 - **Authorization** by reviewing and approving transactions, including both depositing funds into the State Treasury's clearing accounts and preparing Receipt Deposit Transmittal (C-64) forms.
 - **Custody** by handling physical checks and maintaining electronic and physical records.
 - **Recordkeeping** by preparing entries and maintaining the Office's internal accounting records.

While the Office does have another individual responsible for the reconciliation part of the transaction cycle, we noted issues with its reconciliations during the examination period. See Finding 2020-007.

- While the Office does have a cash receipt journal, the accountants noted the cash receipts journal is not sufficiently detailed to reflect the Office's full population of receipts. More specifically, the Office's cash receipts journal lists receipts by batches, excluding individual check numbers, payors, and amounts.
- The population of receipts provided by the Office could not be reconciled to the Office of Comptroller's (Comptroller) *Monthly Revenue Status* (SB04) report or to the Office prepared *Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller* (see page 77).

The Fiscal Control and Internal Auditing Act (FCIAA) (30 ILCS 10/3001) requires the Office to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds are safeguarded against waste, loss, unauthorized use, and misappropriation. It also requires revenues or funds applicable to operations to be 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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Due to these conditions, the accountants 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 receipts.

Even given the population limitation noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, the accountants performed testing and noted the following:

- For one of six (17%) returned checks due to insufficient funds selected for testing, a subsequent payment had not been received by the Office and the related Boiler Inspection Certificate was not revoked.

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

- Two of 60 (3%) Receipt Deposit Transmittals (C-64) forms tested, totaling \$16,770, were not timely remitted to the Comptroller. The C-64 forms were submitted 16 days late.

The Statewide Accounting Management System (SAMS) Manual (Procedure 25.10.30) requires Treasurer's Drafts and C-64 forms to be remitted to the Comptroller. Good internal controls require deposits to be processed timely to increase the balance of funds available for expenditure. The accountant determined 30 days to be a reasonable time frame.

- Two of three (67%) refund receipts tested, totaling \$2,139, were not date-stamped by the Office. As a result, the accountants were unable to determine when the checks were received and whether the checks were deposited in a timely manner.

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2) requires the Office to deposit into the State Treasury cumulative receipts greater than \$500 but less than \$10,000 within 48 hours of receipt. Additionally, the Act requires money received not exceeding \$500 to be deposited the next succeeding first or fifteenth day of each month.

In the prior and current examination, Office management indicated the issues noted with receipt processing were due to limited staffing, conflicting priorities, and oversight.

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Failure to establish and maintain internal control over receipt processing increases the risk of revenue loss or theft, delays the recognition of available cash within the State Treasury, and represents noncompliance with State laws, rules, and regulations. Further, without the Office providing complete and adequate documentation to enable testing, the accountants were impeded in completing their procedures and providing useful and relevant feedback to the General Assembly regarding the Office's compliance with the Act. (Finding Code No. 2020-011, 2018-005)

RECOMMENDATION

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

1. Establishing a proper segregation of duties over its receipts,
2. Maintaining a more detailed cash receipt journal,
3. Revoking inspection certificates issued until the associated fee is paid,
4. Timely remitting C-64 forms to the Comptroller, and
5. Ensuring the receipt date is documented for all receipts received by the Office.

OFFICE RESPONSE

We agree. Although we acknowledge the accountants control weaknesses regarding segregation of duties (one individual performs 3 parts of the transaction cycle), our internal decision was that it was not cost effective to hire additional staff to decrease this weakness. The Office accepted this risk due to cost/benefit analysis but will re-evaluate appropriate internal controls.

The Office agrees that the cash receipts journal is by batch and does not list the individual check numbers, payors and amounts. Detailing this information out on the cash receipts journal is not necessary or cost effective. The information can be found on the system or in the filing cabinet (The Office deposited 20,996 checks in FY19 and 15,756 in FY20 and one check can include many payers).

Other exceptions noted were a result of employee error.

ACCOUNTANT'S COMMENT

We maintain a cash receipts journal detailing individual check numbers, payors, and amounts is necessary, given the lack of controls noted and the fact the Office was unable to reconcile its receipt records to the Comptroller's SB04 reports or the Office prepared *Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller* (see page 77).

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2020-012. **FINDING** (Inadequate Controls over Fees)

The Office of the State Fire Marshal (Office) did not exercise adequate controls over its collection and revenue recognition of fees. The Office utilized the Public Safety Shared Services Center (Shared Services) to perform its receipt processing and quarterly reporting of receivables until March 31, 2019. On April 1, 2019, Shared Services discontinued providing services to the Office. Since then, receipts have been processed by the Office.

During testing, we noted the following:

- During 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. The Office has 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 each account receivable as established by the Illinois State Collection Act of 1986. The Illinois State Collection Act of 1986 (30 ILCS 210/5(c-1) and (g)) requires the referral of all debts of \$250 or more and 90 days past due to the Office of Comptroller's Offset System and the referral of all delinquent debt to the Department of Revenue's Debt Collection Bureau (Bureau).

In order to refer debt to the Office of Comptroller's Offset System, the Statewide Accounting Management System (SAMS) Manual (Procedure 26.40.20) requires the Office to provide the debtor's name and federal employer's identification number (FEIN) or social security number (SSN).

In order to refer delinquent debt to the Department of Revenue's Debt Collection Bureau (Bureau), the Illinois Administrative Code (74 Ill. Admin. Code 1200.60(e)) requires the Office to 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

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employer identification number, and the social security numbers of the officers of the business.

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

Both in the prior examination and the current examination, Office management stated the Office does not believe it is cost effective to collect all of the information required to identify the party responsible for paying the receivable.

- For all remaining fees, the Office did not refer any of its delinquent accounts receivable to the Department of Revenue's Debt Collection Bureau.

Furthermore, the Illinois Administrative Code (74 Ill. Admin. Code 1200.50) defines delinquent debt as all amounts owed of \$10 or more which are more than 90 days past due.

Both in the prior examination and the current examination, Office personnel stated the Office does not believe it is cost effective to refer delinquent accounts to the Department of Revenue's Debt Collection Bureau.

- The Office was unable to provide supporting documentation to substantiate the \$1.662 million net accounts receivable balance reported in the Fiscal Year 2019 Fourth Quarter Quarterly Summary of Accounts Receivable - Accounts Receivable Activity (Form C-97), Quarterly Summary of Accounts Receivable - Aging of Total Gross Receivables (Form C-98), and Quarterly Summary of Accounts Receivable - External Collections Activity for Accounts Over 180 Days Past Due (Form C-99).

The State Records Act (5 ILCS 160/8) requires the Office to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Office designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Office's activities.

Office management indicated some exceptions noted above are a result of Shared Services not providing the supporting documentation for the reports to the Office

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after the transition. After taking over the reporting from Shared Services, Office management indicated the other exceptions were a result of employee error.

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 account receivable and represents noncompliance with State laws and regulations. Finally, failure to maintain adequate accounts receivable records impairs the Office's ability to identify possible errors and reduces the usefulness and reliability of financial information. (Finding Code No. 2020-012, 2018-002)

RECOMMENDATION

We recommend the Office implement controls to obtain sufficient information about responsible parties to enable the collections 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. Finally, we recommend the Office implement additional procedures as necessary to ensure adequate supporting documentation is maintained to substantiate its reporting of receivables.

OFFICE RESPONSE

We agree. The Office agrees that not all FEIN's or Social Security Numbers are collected and that the failure to collect this information hinders the ability to submit past due amounts for Comptroller Offset or other debt collection methods. The Office works to collect this information, but it is hindered by the fact that businesses and individuals are not legally required to provide the information to the Office. The Office will evaluate what, if anything, it can do to collect the information necessary to allow it to file offset and debt collection claims.

In the past the Office has referred accounts to outside collection bureaus that have been identified for use by the Department of Revenue. The Office has been unsuccessful utilizing this route for debt collection and has determined that the costs associated with gathering all required information and filling out required paperwork outweigh the benefits.

The Office acknowledges issues with supporting documentation. The documentation sought by the accountants was not provided to the Office by the Public Safety Shared Services Center, who was responsible for the Office's quarterly reporting. The Office now submits these reports, and all records are kept by the Office.

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2020-013. **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 3 non-small equipment grant agreements, we noted the following:

- For one of three (33%) agreements tested, the grantee did not submit payment requests within thirty days of the end of the quarter. We noted the requests were submitted between 10 to 26 days late.

Article IV, paragraph 4.7 of the grant agreement requires payment requests to be submitted to the Office within thirty days of the end of the quarter.

- For three of three (100%) agreements tested, the grantees did not submit quarterly financial reports within thirty days of the end of the quarter. We noted the reports were submitted between 30 to 276 days late, or not at all.

Article XIII, paragraph 13.1 of the grant agreement requires the grantees to submit financial reports quarterly describing the expenditure(s) of the funds. Quarterly reports must be submitted no later than 30 calendar days following the three month period covered by the report.

- For three of three (100%) agreements tested, the grantees did not submit a Close-out Financial 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 three of three (100%) 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.

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 three of three (100%) 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 quarterly.

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- For three of 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 of the grant agreement requires the Grantee to submit a Close-out Performance Report within 60 calendar days following the end of the period of performance.

- For one of three (33%) agreements tested, the Office did not ensure the Grantee’s payment requests contained a required certification statement.

Article IV, paragraph 4.8 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).”

- For one of three (33%) agreements tested, the Grantee did not return the remaining grant funds as required by the grant agreement. Specifically, the accountant noted the Grantee’s Periodic Financial Report (Report) submitted to the Office shows an unspent balance of the awarded amount, totaling \$36,105. The Office indicated the Grantee did expend all grant funds and it made an error when preparing the Report; however, the Office could not provide additional support showing all the grant funds were expended by the Grantee.

Article IV, paragraph 4.2 of the grant agreement requires any grant funds remaining at the end of the agreement period which are not expended or legally obligated by the Grantee at the end of the agreement period be returned to the Office within 45 days in accordance with the Grant Funds Recovery Act (30 ILCS 705/1 et seq). Further, the State Records Act (5 ILCS 160/8) requires the Office to make and preserve records containing adequate and proper documentation of the essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State.

In addition to the conditions above, we noted the Office has not implemented the rules issued by the Governor’s Office of Management and Budget.

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The Grant Accountability and Transparency Act (30 ILCS 708/90) requires the Office to implement the policies and procedures applicable to State and federal pass-through awards by adopting rules for non-federal entities by December 31, 2017.

During the prior examination, Office management indicated the issues noted above were due to using standard grant language rather than modified language for each grant. During the current examination, Office management indicated the issues noted above continued due to competing priorities, including circumstances out of the Office's control (i.e. COVID-19), which interfered with the Office's ability to re-write grant agreements.

Failure to adequately enforce and monitor terms and conditions of grant agreements could result in improper use and payment of grant funds. (Finding Code No. 2020-013, 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. Further, we recommend the Office implement the policies and procedures as required by the Grant Accountability and Transparency Act.

OFFICE RESPONSE

We agree. The Office has created new grant agreements that fit more in line with the types of grants issued by the Office. The new agreements address each exception noted by the accountants. The Office will work on implementing the rules required by the Grant Accountability and Transparency Act.

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2020-014. **FINDING** (Inadequate Controls over Travel)

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

Travel Headquarter Reports

During testing of Travel Headquarter (TA-2) Reports, we noted one of four (25%) TA-2 Reports filed by the Office with the Legislative Audit Commission (LAC) during the examination period was filed on September 6, 2018, 53 days later than the required submission date of July 15th.

The State Finance Act (30 ILCS 105/12-3) requires TA-2 reports to be filed with the LAC no later than each July 15 for the period from January 1 through June 30 and no later than each January 15 for the period from July 1 through December 31.

License and Insurance Certifications

The Illinois Vehicle Code (625 ILCS 5/10-101(b)) requires every employee of the State, who operates for purposes of State business a vehicle not owned, leased, or controlled by the State to procure insurance in the limit of the amounts liability not less than the amounts required in Section 7-23 of the Illinois Vehicle Code. The Office's procedures regarding the certification to attest that the employees have such licenses and coverage is to have every employee, no matter his/her travel status, sign a certification annually.

Upon testing the Office's procedures, we noted 17 of 28 (61%) employees selected for testing in Fiscal Year 2019 and 11 of 28 (39%) employees selected for testing in Fiscal Year 2020, for a total of 28 of 56 (50%) instances tested, did not have a completed Certification of License and Minimum Liability Coverage on file. As such, we were unable to determine if they had been completed for each of the employees during the applicable fiscal year.

Travel Vouchers

During detail testing of travel vouchers, we noted the following:

- Four of 61 (7%) vouchers tested, totaling \$338, were submitted to the Office by the traveler between 67 and 141 days after the last day of travel occurred.

Internal Revenue Service (IRS) Publication 535, *Business Expenses*, notes employees receiving travel reimbursements must have paid or incurred deductible expenses while performing employment services, adequately accounted for the expenses within a reasonable period of time, generally

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defined by Publication 535 as within 60 days after the expenses were paid or incurred, and returned any excess reimbursements within a reasonable period of time. If the employee meets all three tests, the employee is under an accountable plan and the reimbursements are not included as on the employee's Form W-2. If the employee fails any of the tests, the employee is under a nonaccountable plan and all amounts paid as reimbursements are reported as wages on the employee's Form W-2, subject to income tax withholding, Social Security, Medicare, and unemployment taxes.

- Five of 61 (8%) vouchers tested, totaling \$1,261, included a headquarters designation that did not agree to the TA-2 reports submitted by the Office for the corresponding time periods.

The State Finance Act (30 ILCS 105/12-3) requires the Office to file reports for all officers and employees for whom official headquarters have been designated at any location other than at which their official duties require them to spend the largest part of their working time.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(3)) requires the Office to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Management has the ultimate responsibility for the Office's internal control over reporting of information. This responsibility should include adequate systems of reviewing the completeness, accuracy, and maintenance of all Office records.

Office management indicated the issues noted above were due to oversight and employee error.

Failure to comply with the State Finance Act decreases the effectiveness of oversight controls intended to prevent misuse and mismanagement of State property and resources. Failure to obtain documentation if an employee is properly licensed or insured while driving for State business is noncompliance with the Illinois Vehicle Code and potentially subjects the State to unnecessary liability costs. Failure to submit travel vouchers timely may result in reporting travel reimbursements as taxable employee wages. Lastly, failure to maintain adequate controls over the timely submission of travel expenditures increases the risk that errors or increases in taxable wages could occur that would not be identified by employees performing their functions in the normal course of business. (Finding Code No. 2020-014)

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RECOMMENDATION

We recommend the Office adopt controls to ensure all TA-2 reports are filed with the LAC in a timely manner. Further, we recommend the Office should adopt controls to ensure all employees certify they are duly licensed and insured before using a privately-owned vehicle to travel on State business. Finally, we recommend the Office ensure travel vouchers are timely submitted and the headquarters is reviewed to ensure it traces to the TA-2 reports.

OFFICE RESPONSE

We agree. The Office did not submit one TA-2 report timely (employee oversight). The Office will work to ensure that all reports are submitted on the required deadlines.

Additionally, the Office will now require all employees to turn in a completed Certification of License and Minimum Liability Coverage certifications. This procedure change should address the exceptions noted by the accountants.

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2020-015. **FINDING** (Inadequate Controls over State Vehicles)

The Office of the State Fire Marshal (Office) did not maintain adequate controls over the administration of its State vehicles. Specifically, it was noted the Office did not comply with required vehicle maintenance and vehicle accident reporting rules, and did not maintain adequate vehicle records.

Vehicle Maintenance Testing

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

- 13 of 27 (48%) vehicles tested did not have routine oil changes performed within the mileage or time intervals required by the Department of Central Management Services (CMS). All of the vehicles tested were under or at nine years old during the period. The oil change overages ranged from 671 to 22,513 miles beyond the allowed interval. For these 13 vehicles, the number of untimely oil changes noted for each vehicle ranged from one to seven instances during the examination period.

The CMS' Vehicle Usage Policy requires standard lube, oil, and filter changes to be performed every 5,000 miles or 12 months, whichever comes first for vehicles nine years old and newer.

- 11 of 27 (41%) vehicles tested did not have routine tire rotations performed within the mileage or time intervals required by the CMS. The tire rotation overages ranged from 1,330 and 24,650 miles beyond the allowed interval. For these 11 vehicles, the number of untimely tire rotations noted for each vehicle ranged from one to three instances during the examination period.
- One of 27 (4%) vehicles tested did not have support for the required tire rotation during the period. The vehicle met the mileage requirement to have one rotation during the period.

The CMS' Vehicle Usage Policy requires tire rotations to be performed on all passenger vehicles at every other oil change.

- Three of five (60%) vehicle inspections were not performed as required by CMS during Fiscal Year 2019. In addition, three of 15 (20%) vehicle inspections were not performed as required by CMS during Fiscal Year 2020.

The CMS' Vehicle Usage Policy requires State Vehicles receive an annual inspection each fiscal year by a CMS garage or an authorized vendor. In addition, the Illinois Administrative Code (Code) (44 Ill. Admin. Code

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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.

Accidents Involving State Vehicles

After selecting a sample of accidents involving State vehicles during the examination period and completing our examination procedures, the accountants noted discrepancies between the Office's population and the Auto Liability Report of accidents produced from CMS' database. Specifically, the accountants noted there were three accidents for which they received support from the Office which were not reported to CMS, and, therefore, were left off of the Auto Liability Report obtained from CMS. Hence, the accountants noted the Office failed to provide a complete and accurate population of accidents that occurred during the examination period.

Office management indicated the listing did not reconcile due to not entering the claims into the system per the requirements due to error.

Due to these conditions, the accountants were able to conclude the Office's population records for operation of automobile accidents were not sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C §205.35).

Even given the population limitations noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, the accountants noted the following issue:

The Office did not timely file its Motorist's Report of Illinois Motor Vehicle Accident Reports (Form SR-1) for 3 of 14 (21%) accidents tested. The accidents were reported between 5 and 239 days late.

The Illinois Administrative Code (44 Ill. Admin. Code 5040.520) requires accidents reported on Form SR-1 be sent to CMS no later than seven days after the accident has occurred.

Vehicle Records

During testing of vehicle records for the Office's State vehicles, we were unable to verify the accuracy of the mileage reported for 1 of 27 (4%) vehicles tested. For this vehicle, we noted inconsistent odometer readings when examining its card transactions and CMS Garage maintenance receipts.

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The State Records Act (5 ILCS 160/8) requires the Office to make and preserve records containing adequate and proper documentation of the essential transactions of the Office designated to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Office's activities.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(4)) requires the Office to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are used efficiently, effectively, and in compliance with law.

In the prior examination, Office management indicated the issues noted over its compliance with State vehicle requirements were due to employee errors. In the current examination, Office management continued to indicate the cause of the errors noted above were due to employee error and complications due to the COVID-19 pandemic.

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. In addition, failure to timely file Form SR-1s exposes the driver and the Office to the risk of forfeiture of coverage under the State of Illinois' auto liability plan. Further, without the Office providing complete and adequate documentation to enable testing, the accountants were impeded in completing their procedures and providing useful and relevant feedback to the General Assembly regarding the Office's compliance with the Act. Lastly, the Office is unable to demonstrate it has met each compliance requirement it is subject to when sufficient records are not maintained. (Finding Code No. 2020-015, 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 Office is in the process of moving from a paper process to a new electronic "Vehicle System" developed by the Department of Revenue. The new Vehicle System will increase controls over documentation and required service on vehicles.

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2020-016. **FINDING** (Inadequate Controls over State Property)

The Office of the State Fire Marshal (Office) did not exercise adequate control over the recording and reporting of State property.

Property Leases

During testing, we noted the Office did not record seven capital lease property items, totaling \$38,453, on its property listing after being notified from the Office of Comptroller (Comptroller) of the proper cost.

The Statewide Accounting Management System (SAMS) Manual (Procedure 29.10.30) states the Comptroller will inform the Office of the proper cost of the asset to be recorded in its records. When the Office is informed of the cost of the asset, this amount must be treated as an addition to the Agency Report of State Property (Form C-15) and property records.

Equipment Vouchers

During testing, we noted the following:

- When purchasing decals for the Office's vehicles, each costing \$375, the Office failed to add the cost of the decals to total acquisition value of the vehicles in its property listing. The Office purchased decals for 13 vehicles acquired during the examination period.

The SAMS Manual (Procedure 03.30.20) requires capital assets to be reported at historical cost and should include ancillary costs to place the asset into condition for use.

- Two of 3 (67%) property vouchers tested, included property items, totaling \$136,088, which were not added to the Office's property listing. Due to this condition, the items were also not included on the annual certification of inventory sent to the Department of Central Management Services (DCMS).

The SAMS Manual (Procedure 29.10.10) requires agencies to maintain current property records, including the cost, acquisition date, location, description of asset, date of disposition, and authorization of disposition.

Additionally, the Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) requires the Office to adjust property records within 90 days of the acquisition or deletion of equipment items.

Further, the Code (44 Ill. Admin. Code 5010.460(c)) requires the Office to provide an annual listing of all equipment items with an acquisition value

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of \$1,000 or more and equipment subject to theft with an acquisition value of less than \$1,000 to DCMS' Property Control Division.

Forwards Testing

During testing, we found the following:

- One of 18 (6%) items selected for testing, totaling \$2,749, was not marked with an Office tag.

The Code (44 Ill. Admin. Code 5010.210) requires the Office to mark items with an identification number assigned by the Office holding the property.

Equipment Additions and Deletions Testing

During testing, we noted the following:

- The Office's population of Fiscal Year 2020 deletions it provided to the accountants could not be reconciled to the amounts it reported to the Comptroller. Specifically, we noted a difference of \$176,811 between the Office's population and the amount it reported to the Comptroller. Thus, the Office was unable to provide a complete and accurate population of deletions.
- The Office's provided populations of net transfers for Fiscal Year 2019 and Fiscal Year 2020 had differences, totaling \$268,286 and \$179,008, respectively, when compared to the amounts reported to the Comptroller. Since the testing of additions include the transfers-in and the testing of deletions include the transfers-out, the Office was unable to provide complete and accurate populations of its additions and its deletions.

Due to these conditions, the accountants 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.

Even given the population limitation noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, the accountants performed testing and noted the following:

- Five of 60 (8%) items selected for testing, totaling \$250,000, were added to the Office's property listing between 6 and 1,922 days late.

The Code (44 Ill. Admin. Code 5010.400) requires the Office to adjust property records within 90 days of acquisition, change, or deletion of equipment items.

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- Fourteen of 60 (23%) items selected for testing, totaling \$232,282, were removed from the Office's property listing between 249 and 392 days late.

The Code (44 Ill. Admin. Code 5010.400) requires the Office to adjust property records within 90 days of acquisition, change, or deletion of equipment items.

- For 21 of 58 (36%) transfers out (deletions) tested, the Office did not report the correct value of the items to DCMS on the property change forms. This resulted in the Office underreporting the value of its transfers out to DCMS by \$234.

The Code (44 Ill. Admin. Code 5010.620) requires the Office to report transferable equipment listed on the Office's inventory by submitting a property change report to DCMS, including the purchase price of the transferable equipment. Good internal controls require the amount reported to be the correct value of the price.

- The Office did not retain deletion approval documentation for 2 of 60 (3%) deletions tested, totaling \$100,000.

The State Records Act (5 ILCS 160/8) requires the Office to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Office designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Office's activities.

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 that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

During both the previous and current examinations, Office management indicated these issues were the result of human error.

Failure to maintain accurate and complete property records and properly report equipment transactions on the Form C-15 increases the potential for loss or theft of State property, reduces the reliability of Statewide fixed asset information, and represents noncompliance with State regulations. Further, without the Office providing complete and adequate documentation to enable testing, the accountants were impeded in completing their procedures and providing useful and relevant feedback to the General Assembly regarding the Office's compliance with the Act. (Finding Code No. 2020-016, 2018-003)

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2020

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 deletions,
4. Ensuring Form C-15s submitted to the Comptroller are accurate, and
5. Properly reporting all leases with a fair market value in excess of \$5,000 to the Comptroller.

OFFICE RESPONSE

We agree. The Office completed a full reconciliation of its assets to its inventory system and financial records during the transition from the Office's legacy inventory system to the new ERP inventory system. During this reconciliation some issues were identified and inventory records were updated to address those issues to ensure that all records transferred to the new ERP inventory system were up-to-date and that all inventory-related financial documents were correct. The new ERP inventory system now contains accurate records that are also reflected on the C-15 reports.

The Office currently engages in routine reconciliations of its inventory system to financial records. This is done on a quarterly basis to ensure that what is reported in the inventory system matches the transactions that have taken place for the quarter and to ensure what is reported on the C-15 reports submitted to the Comptroller are accurate.

Effective July 1, 2021, as a result of GASB 87, capital lease values are no longer required to be reported on inventory.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2020

2020-017. **FINDING** (Failure to Timely Implement Statutory Changes)

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

Public Act 99-0480 (Effective on September 9, 2015)

During testing, we noted the Office did not adopt rules requiring training in the administration of opioid antagonists as part of 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.

In the prior year examination, Office management indicated it was conducting an internal review to determine the appropriate placement for this mandate within its administrative rules. During the current examination, Office management indicated the changes were not completed due to a lack of resources and the time it takes to get the rules through the process.

Failure to adopt rules establishing the minimum basic training requirement for a trainee to become a fire fighter may result in fire fighter being ill-equipped when faced with an opioid overdose case and represents noncompliance with the IFPTA.

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 the 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 the 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 to promulgate rules consistent with the provisions of this Act for the administration and enforcement of the PECLA.

In the prior year examination, the Office indicated the rule change was delayed due to other priorities and the need to make statutory changes first. During the current examination, Office management indicated the statutory changes were made; however, the Office did not have the time to also make the rule changes.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2020

Failure to adopt rules that reflect statutory changes may result in licensee confusion and represents noncompliance with the PECLA. (Finding Code No. 2020-017, 2018-011)

RECOMMENDATION

We recommend the Office obtain adequate resources and implement controls to timely execute statutory changes and adopt administrative rules. Further, the Office should:

1. adopt minimum basic training requirements for the administration of opioid antagonists as required by the IFPTA,
2. amend its administrative rules to reflect changes to the PECLA, and
3. make sure all references within its administrative rules reflect the current environment.

OFFICE RESPONSE

We agree. The Office believed it had applicable controls to identify changes in its statutory requirements and timely adopt administrative rules.

The Office historically has had staffing issues within the Legal Division as well as several large non-agency initiated statutory issues which consumed resources. In recent years, the Office has added several legal staff and has budgeted for more in Fiscal Year 2023 in order to make better progress on the regulatory agenda. See below responses regarding the public acts.

Public Act 99-0480

The Office has determined the appropriate placement for this mandate within its administrative rules. The Office anticipates filing rules amendments for 41 Ill. Adm. Code 141 in 2022.

Public Act 97-0428

The Office updated the PECLA legislation, and it passed both houses on May 31, 2021 (as part of HB 806). The bill was then signed by the Governor and became law as Public Act 102-0020 with the effective date of Jan 1, 2022. The Office subsequently began appropriate rules review in June 2021. The Office is currently reviewing rules for revision and anticipates filing rules amendments for 41 Ill. Adm. Code 172 in 2022.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2020

2020-018. **FINDING** (Failure to Comply with the Illinois Fire Protection Training Act)

The Office of the State Fire Marshal (Office) did not comply with certain requirements of the Illinois Fire Protection Training Act (Act). Specifically, we noted an educational program or literature for fire fighters on the history of the fire service labor movement had not been created as of June 30, 2021. As a result, the Office did not make the educational program or literature available on its website as required by the Act.

The Act (50 ILCS 740/12.6), amended by Public Act 101-252, effective August 9, 2019, requires the Office to maintain on its website a link to an educational program or literature for fire fighters on the history of the fire service labor movement.

Office management stated the Associated Fire Fighters of Illinois is currently working on the educational program and associated literature, and the Office will add a link to the information as soon as it is available.

Failure to establish an educational program on the history of fire service labor movement prevents fire officials from being adequately educated on the history of the industry and represents noncompliance with the Act. (Finding Code No. 2020-018)

RECOMMENDATION

We recommend the Office work with the Associated Fire Fighters of Illinois to complete the educational program and associated documents and add the information to the Office's website.

OFFICE RESPONSE

We agree. The Associated Fire Fighters of Illinois is currently working on the educational program and associated literature. Progress has been delayed by the COVID-19 pandemic and staff turnover. The program is expected to be completed by summer 2022. The Office will add a link to the information as soon as it is available.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2020

2020-019. **FINDING** (Inadequate Controls over Performance Evaluations)

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

During the testing of 28 employee personnel files, we noted 5 of 47 (11%) employee performance evaluations selected for testing were not maintained in the employees' files. Additionally, 3 of 47 (6%) employee performance evaluations tested were completed between 51 and 189 days late.

The Office was first cited for noncompliance with performing timely performance evaluations during the compliance examination for the two years ended June 30, 2006. In the years since the finding was first noted, the Office has not been successful in correcting the finding.

The Illinois Administrative Code (80 Ill. Admin. Code 302.270(d)) requires the Office to prepare a performance evaluation for each certified employee no less often than annually. Additionally, the Office's *Employee Handbook*, Section 3-1 requires evaluations for certified employees be performed annually and are to be completed within four months after the end of the evaluation period. Further, the State Records Act (5 ILCS 160/8) requires the Office to make and preserve records containing adequate and proper documentation of the policies, decisions, and procedures designed to protect the legal and financial rights of the State.

In the prior examination, Office management indicated the issues noted with performing timely performance evaluations were the result of the *Employee Handbook* having a 10-day time requirement which did not allow for enough time to complete the evaluations. In the current examination, Office management updated the *Employee Handbook* to require the evaluations be performed within four months of the evaluation period. Office management indicated the errors noted during the current examination were due to employee error. Further, Office management indicated the performance evaluations were not maintained because of management error.

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. 2020-019, 2018-009, 2016-003, 2014-004, 12-04, 10-06, 08-11, 06-06)

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2020

RECOMMENDATION

We recommend the Office take appropriate measures to ensure performance evaluations are conducted timely and maintained in each employee's file.

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. OSFM Human Resources currently tracks evaluation due dates and sends out reminder emails to supervisors to ensure timely submission.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2020

2020-020. **FINDING** (Lack of Agreement to Ensure Compliance with IT Security Requirements)

The Office of the State Fire Marshal (Office) had not entered into a detailed agreement with the Department of Innovation and Technology (DoIT) to ensure prescribed requirements and available security mechanisms were in place in order to protect the security, processing integrity, availability, and confidentiality of its systems and data.

On January 25, 2016, the Governor signed Executive Order 2016-01, which created DoIT. Under the Executive Order, DoIT assumed responsibilities for the State's IT decisions and spending, including the Office's Information Technology infrastructure and functions. Commencing on July 1, 2016, DoIT and the Office were to work together in order to "transfer all relevant functions, employees, property, and funds" to DoIT.

The Office and DoIT entered into two Intergovernmental Agreements (Agreements) during the examination period: 1) July 1, 2018 through June 30, 2019, and 2) July 1, 2019 through June 30, 2022. The Agreements outlined the transfer of assets and staff; however, they did not address detailed requirements and roles and responsibilities associated with the security, processing integrity, availability, and confidentiality of the Office's systems and data.

The Office has the ultimate responsibility to ensure its critical and confidential systems and data are adequately secured. As such, this responsibility is not limited because the information technology functions were transferred to DoIT.

Office management indicated they believed the requirements and roles and responsibilities were outlined within the Executive Order and as such were not required to be documented within the Agreement.

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 funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and to maintain accountability over the State's resources.

Without an adequately detailed formal agreement identifying the Office's responsibilities and DoIT's responsibilities over the Office's data and systems, the Office is unable to obtain assurance of the adequacy of controls to ensure the security, processing integrity, availability, and confidentiality of its systems and data. (Finding Code No. 2020-020)

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2020

RECOMMENDATION

We recommend the Office enter into a detailed agreement with DoIT to ensure prescribed requirements and available security mechanisms are in place to protect the security, processing integrity, availability, and confidentiality of its systems and data.

OFFICE RESPONSE

We agree. The Office believes that the current Intergovernmental Agreement with the Department of Innovation and Technology (DoIT) addresses the recommendation of the accountants. The IGA specifically includes language regarding IT security and incorporates all DoIT policies into the IGA and states that “DoIT shall adhere to these policies in providing services to Client Agency and in maintaining data on behalf of Client Agency.” The Office will discuss this finding with DoIT to see if there are additional ways to adjust the IGA to meet the requirements sought by the accountants.

ACCOUNTANT’S COMMENT

As stated above, the IGA does not address detailed requirements and roles and responsibilities associated with the security, processing integrity, availability, and confidentiality of the Office’s systems and data. Specifically, the IGA does not document the Office’s security requirements over its applications and data, the roles and responsibilities specific to the Office and DoIT, as a service provider to the agency, or the specific controls related to the environment in which the Office’s applications and data reside. Without such documented controls, we are confused as how the Office can ensure adequate controls are in place to ensure the security, processing integrity, availability, and confidentiality of its systems and data.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2020

2020-021. **FINDING** (Inadequate Controls over Missing IT Equipment)

The Office of the State Fire Marshal (Office) did not maintain adequate controls over missing Information Technology (IT) equipment.

During the examination period, the Office documented four laptops, totaling \$6,057, which had been lost or stolen. As part of testing, we requested the Office's documentation of its notification to the Department of Innovation and Technology (DoIT) regarding the missing IT equipment as required by DoIT's Enterprise Information Security Policy and Information Security Incident Management Policy; however, the Office was unable to provide such documentation.

The State Property Control Act (Act) (30 ILCS 605/4) requires every responsible officer of State government to be accountable to the administrator for the supervision, control, and inventory of all property under its control.

Further, DoIT's Enterprise Information Security Policy and Information Security Incident Management Policy, states all employees, contractors, and third-party providers of the State of Illinois shall report any and all Information Security Incidents to the DoIT Division of Information Security.

Office management indicated they were unaware of the policy.

Failure to maintain adequate controls over IT equipment has resulted in missing laptops and the potential for unintended exposure of confidential information. (Finding Code No. 2020-021)

RECOMMENDATION

We recommend the Office evaluate and secure computers to ensure confidential information is protected and notify DoIT of all missing IT equipment as required.

OFFICE RESPONSE

We agree. The Office acknowledges there were four computers that could not be located but believes that all computers are adequately secured to ensure confidential information is protected.

The Department of Innovation Technology's (DoIT) policy is to secure laptops by imaging them with BitLocker Drive Encryption. BitLocker is a data protection feature that integrates with the operating system and addresses the threats of data theft or exposure from lost, stolen, or inappropriately decommissioned computers. Confidential information is secure on Office laptops if lost or stolen. The notification of DoIT of the lost laptops was due to employee error.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2020

A. **FINDING** (Weaknesses with Payment Card Industry Data Security Standards)

During the previous examination, 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).

During the current examination, our testing indicated the Office had performed an assessment of their programs accepting credit card payments, completed a Self-Assessment Questionnaire (SAQ), and confirmed compliance to the Treasurer's E-Pay program vendor. (Finding Code No. 2018-008)

B. **FINDING** (Untimely Inspections of Boilers and Pressure Vessels)

During the previous examination, the Office of the State Fire Marshal (Office) did not conduct inspections of boilers and pressure vessels in a timely manner. Specifically, the accountants noted 3 of 60 (5%) pressure vessel systems were not inspected timely.

During the current examination, our sample testing did not identify any issues related to the inspection of pressure vessels. However, we continued to note delays in the inspection of high pressure (power) boilers. See Finding 2020-004. (Finding Code No. 2018-012)

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Expenditure Authority for Fiscal Year 2020

For the Fifteen Months Ended September 30, 2020

	Expenditure Authority (Net of Transfers)	Expenditures		Total Expenditures 15 Months Ended September 30, 2020	Balances Lapsed September 30, 2020
		Lapse Period			
		Through June 30, 2020	Expenditures July 1 to September 30, 2020		
Public Act 101-0007					
FISCAL YEAR 2020					
APPROPRIATED FUNDS					
General Revenue Fund - 001					
Division 01					
Unpaid Wage Increases	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal, Fund 001	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Prevention Fund - 047					
Division 01					
Personal Services	\$ 10,422,000	\$ 8,939,325	\$ 647,285	\$ 9,586,610	\$ 835,390
State Contribution to State Employees' Retirement System	5,658,200	4,870,794	356,085	5,226,879	431,321
State Contributions to Social Security	709,500	568,530	38,875	607,405	102,095
Group Insurance	3,048,000	1,860,248	87,878	1,948,126	1,099,874
Contractual Services	1,420,100	1,161,788	167,341	1,329,129	90,971
Travel	117,700	96,556	7,920	104,476	13,224
Commodities	113,700	101,177	7,516	108,693	5,007
Printing	28,600	28,229	-	28,229	371
Equipment	705,000	446,411	26,357	472,768	232,232
Electronic Data Processing	1,990,700	1,575,707	323,455	1,899,162	91,538
Telecommunications Services	193,400	177,627	13,420	191,047	2,353
Operation of Automotive Equipment	181,200	119,589	9,617	129,206	51,994
Refunds	5,000	4,180	-	4,180	820
Fire Explorer and Cadet School	65,000	-	65,000	65,000	-
Senior Officer Training	55,000	-	-	-	55,000
Cornerstone Program	350,000	252,161	97,839	350,000	-
Firefighter Training Programs	230,000	35,803	194,197	230,000	-
Online Firefighter Certification Testing	146,000	53,926	8,142	62,068	83,932
Gross Decontamination Buckets	360,000	-	360,000	360,000	-
Minimum Basic Firefighter Training	1,000,000	578,895	421,105	1,000,000	-
Firefighter Peer Support Program	60,000	60,000	-	60,000	-
Community Risk Reduction	50,000	2,085	1,083	3,168	46,832
Chicago Fire Department Training Program	2,838,800	2,129,100	709,700	2,838,800	-
Participants in the State Training Programs	950,000	950,000	-	950,000	-
Development of New Fire Districts	500	-	-	-	500
MABAS Administration	125,000	125,000	-	125,000	-

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Expenditure Authority for Fiscal Year 2020

For the Fifteen Months Ended September 30, 2020

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2020	Lapse Period Expenditures July 1 to September 30, 2020	Total Expenditures 15 Months Ended September 30, 2020	Balances Lapsed September 30, 2020
Public Act 101-0007					
FISCAL YEAR 2020					
Small Equipment Grant Program	3,500,000	-	3,332,248	3,332,248	167,752
Hazardous Materials Emergency Response Reimbursement	10,000	-	-	-	10,000
Subtotal, Division 01	\$ 34,333,400	\$ 24,137,131	\$ 6,875,063	\$ 31,012,194	\$ 3,321,206
Division 89 (Shared Services)					
Public Safety Shared Services Center	\$ 150,000	\$ 93,337	-	\$ 93,337	\$ 56,663
Subtotal, Division 89	\$ 150,000	\$ 93,337	-	\$ 93,337	\$ 56,663
Subtotal, Fund 047	\$ 34,483,400	\$ 24,230,468	\$ 6,875,063	\$ 31,105,531	\$ 3,377,869
Underground Storage Tank Fund - 072					
Division 01					
Personal Services	\$ 1,991,400	\$ 1,855,233	\$ 98,416	\$ 1,953,649	\$ 37,751
State Contributions to State Employees Retirement System	1,081,200	976,467	53,552	1,030,019	51,181
State Contributions to Social Security	152,300	135,762	7,333	143,095	9,205
Group Insurance	624,000	363,615	20,878	384,493	239,507
Contractual Services	231,800	224,851	331	225,182	6,618
Travel	8,300	4,133	-	4,133	4,167
Commodities	9,000	7,059	-	7,059	1,941
Printing	3,500	48	-	48	3,452
Equipment	40,000	4,323	-	4,323	35,677
Electronic Data Processing	10,500	695	-	695	9,805
Telecommunications	19,000	17,576	-	17,576	1,424
Operation of Automotive Equipment	67,100	57,004	4,374	61,378	5,722
Refunds	4,000	-	-	-	4,000
State's Underground Storage Program	550,000	412,500	137,500	550,000	-
Subtotal, Fund 072	\$ 4,792,100	\$ 4,059,266	\$ 322,384	\$ 4,381,650	\$ 410,450
Ambulance Revolving Loan Fund - 334					
Division 01					
Payment to Finance Authority	\$ 282,885	\$ 282,885	-	\$ 282,885	\$ -
Subtotal, Fund 334	\$ 282,885	\$ 282,885	-	\$ 282,885	\$ -
Illinois Firefighters' Memorial Fund - 510					
Division 01					

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Expenditure Authority for Fiscal Year 2020

For the Fifteen Months Ended September 30, 2020

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2020	Lapse Period Expenditures July 1 to September 30, 2020	Total Expenditures 15 Months Ended September 30, 2020	Balances Lapsed September 30, 2020
Public Act 101-0007					
FISCAL YEAR 2020					
Firefighters' Memorial	\$ 300,000	\$ 1,559	\$ 117,268	\$ 118,827	\$ 181,173
Subtotal, Fund 510	\$ 300,000	\$ 1,559	\$ 117,268	\$ 118,827	\$ 181,173
Fire Truck Revolving Fund - 572					
Division 01					
Payment to Finance Authority	\$ 2,500,591	\$ 2,500,591	\$ -	\$ 2,500,591	\$ -
Subtotal, Fund 572	\$ 2,500,591	\$ 2,500,591	\$ -	\$ 2,500,591	\$ -
Fire Prevention Division Fund - 580					
Division 01					
U.S. Resource Conservation and Recovery Act Underground Storage Program	\$ 1,000,000	\$ 406,578	\$ 63,607	\$ 470,185	\$ 529,815
Subtotal, Fund 580	\$ 1,000,000	\$ 406,578	\$ 63,607	\$ 470,185	\$ 529,815
GRAND TOTAL - ALL FUNDS	\$ 43,358,976	\$ 31,481,347	\$ 7,378,322	\$ 38,859,669	\$ 4,499,307

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of October 31, 2020. These amounts were unable to be reconciled to the Office's records, as noted in Finding 2020-007.

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 State Finance Act (Act) (20 ILCS 3501/825-85(b-1)), yet functions as 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 as a non-appropriated fund.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Expenditure Authority for Fiscal Year 2019

For the Sixteen Months Ended October 31, 2019

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1 to October 31, 2019	Total Expenditures 16 Months Ended October 31, 2019	Balances Lapsed October 31, 2019
Public Act 100-0586, Public Act 101-0007					
FISCAL YEAR 2019					
APPROPRIATED FUNDS					
General Revenue Fund - 001					
Division 01					
Unpaid Wage Increases	\$ 287,600	\$ -	\$ 280,599	\$ 280,599	\$ 7,001
Subtotal, Fund 001	\$ 287,600	\$ -	\$ 280,599	\$ 280,599	\$ 7,001
Fire Prevention Fund - 047					
Division 01					
Personal Services					
State Contribution to State Employees' Retirement System	\$ 9,884,800	\$ 7,760,952	\$ 802,142	\$ 8,563,094	\$ 1,321,706
State Contributions to Social Security	5,007,300	4,011,163	414,363	4,425,526	581,774
Group Insurance	651,200	494,771	52,681	547,452	103,748
Contractual Services	2,832,000	1,781,581	86,094	1,867,675	964,325
Travel	1,245,100	1,003,069	152,613	1,155,682	89,418
Commodities	99,200	83,792	14,673	98,465	735
Printing	89,700	64,303	21,609	85,912	3,788
Equipment	19,600	17,350	25	17,375	2,225
Electronic Data Processing	562,200	54,974	136,502	191,476	370,724
Telecommunications	2,167,000	1,629,184	372,316	2,001,500	165,500
Operation of Automotive Equipment	193,400	149,676	30,402	180,078	13,322
Refunds	186,200	126,967	51,140	178,107	8,093
Fire Explorer and Cadet School	5,000	4,185	-	4,185	815
Senior Officer Training	65,000	28,455	36,545	65,000	-
Cornerstone Program	55,000	-	11,000	11,000	44,000
Firefighter Training Programs	350,000	284,562	65,438	350,000	-
Online Firefighter Certification Testing	230,000	31,146	46,812	77,958	152,042
Gross Decontamination Buckets	212,500	32,096	13,865	45,961	166,539
Minimum Basic Firefighter Training	-	-	-	-	-
Firefighter Peer Support Program	-	-	-	-	-
Community Risk Reduction	-	-	-	-	-
Chicago Fire Department Training Program	2,801,700	2,101,275	700,425	2,801,700	-
Participants in the State Training Programs	950,000	944,171	5,829	950,000	-
Development of New Fire Districts	500	-	-	-	500
MABAS Administration	125,000	125,000	-	125,000	-

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Expenditure Authority for Fiscal Year 2019

For the Sixteen Months Ended October 31, 2019

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1 to October 31, 2019	Total Expenditures 16 Months Ended October 31, 2019	Balances Lapsed October 31, 2019
Public Act 100-0586, Public Act 101-0007					
FISCAL YEAR 2019					
Small Equipment Grant Program	-	-	-	-	-
Hazardous Materials Emergency Response Reimbursement	10,000	-	-	-	10,000
Subtotal, Division 01	<u>\$ 27,742,400</u>	<u>\$ 20,728,672</u>	<u>\$ 3,014,474</u>	<u>\$ 23,743,146</u>	<u>\$ 3,999,254</u>
Division 89 (Shared Services)					
Public Safety Shared Services Center	679,900	526,843	21,785	548,628	131,272
Subtotal, Division 89	<u>\$ 679,900</u>	<u>\$ 526,843</u>	<u>\$ 21,785</u>	<u>\$ 548,628</u>	<u>\$ 131,272</u>
Subtotal, Fund 047	<u>\$ 28,422,300</u>	<u>\$ 21,255,515</u>	<u>\$ 3,036,259</u>	<u>\$ 24,291,774</u>	<u>\$ 4,130,526</u>
Underground Storage Tank Fund - 072					
Division 01					
Personal Services	1,992,400	1,575,847	87,056	1,662,903	329,497
State Contributions to State Employees Retirement System	1,018,100	815,498	45,055	860,553	157,547
State Contributions to Social Security Group Insurance	150,900	116,887	6,455	123,342	27,558
Contractual Services	624,000	330,481	17,671	348,152	275,848
Travel	231,800	38,206	117,418	155,624	76,176
Commodities	6,800	4,691	280	4,971	1,829
Printing	9,000	1,246	-	1,246	7,754
Equipment	3,500	2,597	-	2,597	903
Electronic Data Processing	92,000	40,310	26,534	66,844	25,156
Telecommunications	10,500	10,500	-	10,500	-
Operation of Automotive Equipment	19,000	18,945	-	18,945	55
Refunds	67,100	31,326	20,927	52,253	14,847
State's Underground Storage Program	14,000	11,372	-	11,372	2,628
Subtotal, Fund 072	<u>\$ 550,000</u>	<u>\$ 412,500</u>	<u>\$ 137,500</u>	<u>\$ 550,000</u>	<u>\$ -</u>
	<u>\$ 4,789,100</u>	<u>\$ 3,410,406</u>	<u>\$ 458,896</u>	<u>\$ 3,869,302</u>	<u>\$ 919,798</u>
Ambulance Revolving Loan Fund - 334					
Division 01					
Payment to Finance Authority	271,036	271,035	-	271,035	1
Subtotal, Fund 334	<u>\$ 271,036</u>	<u>\$ 271,035</u>	<u>\$ -</u>	<u>\$ 271,035</u>	<u>\$ 1</u>
Illinois Firefighters' Memorial Fund - 510					
Division 01					

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Expenditure Authority for Fiscal Year 2019

For the Sixteen Months Ended October 31, 2019

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1 to October 31, 2019	Total Expenditures 16 Months Ended October 31, 2019	Balances Lapsed October 31, 2019
Public Act 100-0586, Public Act 101-0007					
FISCAL YEAR 2019					
Firefighters' Memorial	\$ 300,000	\$ 46,030	\$ 92,104	\$ 138,134	\$ 161,866
Subtotal, Fund 510	\$ 300,000	\$ 46,030	\$ 92,104	\$ 138,134	\$ 161,866
Fire Truck Revolving Loan Fund - 572					
Division 01					
Payment to Finance Authority	\$ 2,055,226	\$ 2,055,226	\$ -	\$ 2,055,226	\$ -
Subtotal, Fund 572	\$ 2,055,226	\$ 2,055,226	\$ -	\$ 2,055,226	\$ -
Fire Prevention Division Fund - 580					
Division 01					
U.S. Resource Conservation and Recovery Act Underground Storage Program	\$ 1,000,000	\$ 562,432	\$ -	\$ 562,432	\$ 437,568
Subtotal, Fund 580	\$ 1,000,000	\$ 562,432	\$ -	\$ 562,432	\$ 437,568
GRAND TOTAL - ALL FUNDS	\$ 37,125,262	\$ 27,600,644	\$ 3,867,858	\$ 31,468,502	\$ 5,656,760

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of October 31, 2019. These amounts were unable to be reconciled to the Office's records, as noted in Finding 2020-007.

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 State Finance Act (Act) (20 ILCS 3501/825-85(b-1)), yet functions as 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 as a non-appropriated fund.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES

For the Fiscal Year Ended June 30

	2020	2019	2018
APPROPRIATED FUNDS			
General Revenue Fund - 001			
Expenditure Authority	\$ -	\$ 287,600	\$ -
Expenditures:			
Division 01			
Unpaid Wage Increases	\$ -	\$ 280,599	\$ -
Total Expenditures	\$ -	\$ 280,599	\$ -
Balances Lapsed	\$ -	\$ 7,001	\$ -
Fire Prevention Fund - 047			
Expenditure Authority	\$ 34,483,400	\$ 28,422,300	\$ 36,603,900
Expenditures:			
Division 01			
Personal Services	\$ 9,586,610	\$ 8,563,094	\$ 7,936,249
State Contribution to State Employees' Retirement System	5,226,879	4,425,526	4,048,274
State Contributions to Social Security	607,405	547,452	520,434
Group Insurance	1,948,126	1,867,675	1,640,453
Contractual Services	1,329,129	1,155,682	1,261,372
Travel	104,476	98,465	89,435
Commodities	108,693	85,912	79,233
Printing	28,229	17,375	27,719
Equipment	472,768	191,476	1,384,410
Electronic Data Processing	1,899,162	2,001,500	1,759,556
Telecommunications	191,047	180,078	336,872
Operation of Automotive Equipment	129,206	178,107	140,681
Refunds	4,180	4,185	655
Fire Explorer and Cadet School	65,000	65,000	-
Senior Officer Training	-	11,000	-
Cornerstone Program	350,000	350,000	-
Firefighter Training Programs	230,000	77,958	-
Online Firefighter Certification Testing	62,068	45,961	649
Gross Decontamination Buckets	360,000	-	-
Minimum Basic Firefighter Training	1,000,000	-	-
Firefighter Peer Support Program	60,000	-	-
Community Risk Reduction	3,168	-	-
Chicago Fire Department Training Program	2,838,800	2,801,700	2,747,000
Participants in the State Training Programs	950,000	950,000	950,000
Development of New Fire Districts	-	-	-
MABAS Administration	125,000	125,000	125,000
Small Equipment Grant Program	3,332,248	-	2,289,921
Hazardous Materials Emergency Response Reimbursement	-	-	-
Total Expenditures	\$ 31,012,194	\$ 23,743,146	25,337,916
Division 89 (Shared Services)			
Public Safety Shared Services Center	\$ 93,337	\$ 548,628	\$ 637,457
Total Expenditures	\$ 93,337	\$ 548,628	\$ 637,457
Balances Lapsed	\$ 3,377,869	\$ 4,130,526	\$ 10,628,527

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES

For the Fiscal Year Ended June 30

	2020	2019	2018
Underground Storage Tank Fund - 072			
Expenditure Authority	\$ 4,792,100	\$ 4,789,100	\$ 4,504,300
Expenditures:			
Division 01			
Personal Services	\$ 1,953,649	\$ 1,662,903	\$ 1,835,089
State Contributions to State Employees' Retirement System	1,030,019	860,553	939,236
State Contributions to Social Security	143,095	123,342	135,833
Group Insurance	384,493	348,152	384,292
Contractual Services	225,182	155,624	216,785
Travel	4,133	4,971	8,242
Commodities	7,059	1,246	4,175
Printing	48	2,597	50
Equipment	4,323	66,844	16,000
Electronic Data Processing	695	10,500	9,994
Telecommunications	17,576	18,945	19,795
Operation of Automotive Equipment	61,378	52,253	37,761
Refunds	-	11,372	3,100
State's Underground Storage Program	550,000	550,000	550,000
Total Expenditures	\$ 4,381,650	\$ 3,869,302	\$ 4,160,352
Balances Lapsed	\$ 410,450	\$ 919,798	\$ 343,948
Ambulance Revolving Loan Fund - 334			
Expenditure Authority	\$ 282,885	\$ 271,036	\$ 297,815
Expenditures:			
Division 01			
Payment to Finance Authority	\$ 282,885	\$ 271,035	\$ 297,815
Total Expenditures	\$ 282,885	\$ 271,035	\$ 297,815
Balances Lapsed	\$ -	\$ 1	\$ -
Illinois Firefighters' Memorial Fund - 510			
Expenditure Authority	\$ 300,000	\$ 300,000	\$ 400,000
Expenditures:			
Division 01			
Firefighters' Memorial	\$ 118,827	\$ 138,134	\$ 135,248
Total Expenditures	\$ 118,827	\$ 138,134	\$ 135,248
Balances Lapsed	\$ 181,173	\$ 161,866	\$ 264,752

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES

For the Fiscal Year Ended June 30

	2020	2019	2018
Fire Truck Revolving Loan Fund - 572			
Expenditure Authority	\$ 2,500,591	\$ 2,055,226	\$ 2,609,850
Expenditures:			
Division 01			
Payment to Finance Authority	\$ 2,500,591	\$ 2,055,226	\$ 2,609,849
Total Expenditures	\$ 2,500,591	\$ 2,055,226	\$ 2,609,849
Balances Lapsed	\$ -	\$ -	\$ 1
 Fire Prevention Division Fund - 580			
Expenditure Authority	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Expenditures:			
Division 01			
U.S. Resource Conservation and Recovery Act Underground Storage Program	\$ 470,185	\$ 562,432	\$ 632,805
Total Expenditures	\$ 470,185	\$ 562,432	\$ 632,805
Balances Lapsed	\$ 529,815	\$ 437,568	\$ 367,195
 <u>GRAND TOTAL - ALL FUNDS</u>			
Expenditure Authority	\$ 43,358,976	\$ 37,125,262	\$ 45,415,865
Expenditures	38,859,669	31,468,502	33,811,442
Balances Lapsed	\$ 4,499,307	\$ 5,656,760	\$ 11,604,423
 STATE OFFICERS' SALARIES			
Fire Prevention Fund - 047 (State Comptroller)			
Expenditures:			
For the State Fire Marshal	\$ 136,146	\$ 123,546	\$ 115,613
Total Expenditures	\$ 136,146	\$ 123,546	\$ 115,613

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of October 31, 2019, and October 31, 2020, and have been reconciled to Office Records.

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 State Finance Act (Act) (20 ILCS 3501/825(b-1)) yet functions as 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)) and functions as a non-appropriated fund.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
COMPARATIVE SCHEDULE OF NET EXPENDITURES
BY MAJOR ACTIVITY

SCHEDULE 4

(IN THOUSANDS)

For the Fiscal Year Ended June 30,

	2020	2019	2018
<u>EXPENDITURE STATISTICS</u>			
All State Treasury Funds			
Total Operations Expenditures:	\$ 26,090	\$ 24,112	\$ 24,112
Percentage of Total Expenditures:	67.1%	76.6%	71.3%
Personal Services	11,622	11,108	10,657
Other Payroll Costs	9,428	8,705	8,350
All Other Operating Expenditures	5,040	4,299	5,105
Total Awards and Grants Expenditures:	\$ 12,765	\$ 7,340	\$ 9,696
Percentage of Total Expenditures:	32.9%	23.4%	28.7%
Total Refund Expenditures:	\$ 4	\$ 16	\$ 4
Percentage of Total Expenditures:	0.0%	0.0%	0.0%
GRAND TOTAL - ALL EXPENDITURES:	\$ 38,859	\$ 31,468	\$ 33,812

Note 1: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

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 Years Ended June 30,

	2020	2019	2018
General Revenue Fund - 001			
Boiler Receipts	\$ 1,189,455	\$ 1,454,653	\$ 1,603,022
Total Cash Receipts per Office	1,189,455	1,454,653	1,603,022
Less - In Transit at End of Year	23,940	44,485	-
Plus - In Transit at Beginning of Year	44,485	-	-
Total Cash Receipts per State Comptroller's Records	<u>\$ 1,210,000</u>	<u>\$ 1,410,168</u>	<u>\$ 1,603,022</u>
Fire Prevention Fund - 047			
Underground Storage Tank Permit Fees	\$ 528,100	\$ 627,700	\$ 424,600
Boiler Inspection Fees	1,776,256	2,023,747	2,167,669
Sprinkler Contractor License Fees	111,810	216,800	119,350
Fuel Hauler Fees	21,200	8,700	15,400
Fire Equipment Fees	70,845	80,670	65,860
Elevator Safety	1,287,415	1,620,045	1,455,010
Reimbursement/Jury Duty & Recoveries	23,258	402,055	521
JFSIP Training	2,800	3,600	5,050
State Certification Exam Fees	-	-	400
Pyrotechnic Distributor & Operator License Fees	28,890	50,500	51,800
Copy Fees (FOIA)	-	20	516
Fire Prevention Fines and Penalties	-	1	-
Arson Offense Reimbursement	-	20	-
Prior Year Refunds	3,278	86	11,917
Total Cash Receipts per Office	3,853,852	5,033,944	4,318,093
Less - In Transit at End of Year	162,470	216,464	198,970
Plus - In Transit at Beginning of Year	216,464	198,970	328,134
Total Cash Receipts per State Comptroller's Records	<u>\$ 3,907,846</u>	<u>\$ 5,016,450</u>	<u>\$ 4,447,257</u>
Underground Storage Tank Fund - 072			
Tank Registration	\$ 46,049	\$ 25,050	\$ 45,200
Subpeona Fees	90	90	134
Fines & Penalties	18,616	46,762	67,226
Reimbursement/Jury Duty & Recoveries	16	25	33
Prior Year Refunds	-	-	24
Prior Year Expenditure Transfers	-	-	(45)
Total Cash Receipts per Office	64,771	71,927	112,572
Less - In Transit at End of Year	3,261	2,250	1,350
Plus - In Transit at Beginning of Year	2,250	1,350	5,045
Total Cash Receipts per State Comptroller's Records	<u>\$ 63,760</u>	<u>\$ 71,027</u>	<u>\$ 116,267</u>
Fire Prevention Division Fund - 580			
Environmental Protection Agency Grant	\$ 399,166	\$ 1,080,887	\$ 146,754
Prior Year Expenditure Transfers	-	-	45
Total Cash Receipts per Office	399,166	1,080,887	146,799
Less - In Transit at End of Year	-	-	-
Less - Processing Errors by Comptroller (Duplicate Payment)	34,875	-	-
Plus - In Transit at Beginning of Year	-	-	-
Total Cash Receipts per State Comptroller's Records	<u>\$ 364,291</u>	<u>\$ 1,080,887</u>	<u>\$ 146,799</u>
Grand Total - All Funds			
Total Cash Receipts per Office	\$ 5,507,244	\$ 7,641,411	\$ 6,180,486
Less - In Transit at End of Year	189,671	263,199	200,320
Less - Processing Errors by Comptroller (Duplicate Payment)	34,875	-	-
Plus - In Transit at Beginning of Year	263,199	200,320	333,179
Total Cash Receipts per State Comptroller's Records - All Funds	<u>\$ 5,545,897</u>	<u>\$ 7,578,532</u>	<u>\$ 6,313,345</u>

Note 1: During our examination, we noted deficiencies with the Office's receipt records, as described in Finding 2020-011.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
SCHEDULE OF CHANGES IN PROPERTY
 For the Two Years Ended June 30, 2020

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
FISCAL YEAR 2020					
Property					
Land and Land Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
Site Improvements	-	-	-	-	-
Buildings and Building Improvements	-	-	-	-	-
Equipment	4,525,893	572,349	581,480	(734,957)	3,781,805
Total	<u>\$ 4,525,893</u>	<u>\$ 572,349</u>	<u>\$ 581,480</u>	<u>\$ (734,957)</u>	<u>\$ 3,781,805</u>
FISCAL YEAR 2019					
Property					
Land and Land Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
Site Improvements	-	-	-	-	-
Buildings and Building Improvements	-	-	-	-	-
Equipment	4,921,429	1,668,043	1,506,104	(557,475)	4,525,893
Total	<u>\$ 4,921,429</u>	<u>\$ 1,668,043</u>	<u>\$ 1,506,104</u>	<u>\$ (557,475)</u>	<u>\$ 4,525,893</u>

Note 1: These balances were obtained from the Office's records and have been reconciled to the Office's quarterly *Agency Report of State Property* reports submitted to the Office of State Comptroller for the two years ended June 30, 2020.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Functions

The Office, as authorized by the State Fire Marshal Act (20 ILCS 2905), is dedicated to working with its partners and providing assistance to the fire service in the protection of life, property, and the environment through communication, inspection, investigation, certification, and licensing.

- 1) The Arson Division provides cause and origin determination, investigation, and law enforcement services for suspected arson cases throughout the state.
- 2) The Boiler and Pressure Vessel Safety Division provides inspection, certification, and licensing of boiler and pressure vessels and related industries.
- 3) The Elevator Safety Division provides monitoring of third-party inspection companies and municipalities with state agreements, provides certification and registration of conveyances, as well as licensing of mechanics, apprentices, inspection companies, elevator contractors, and related industries, investigates accidents, and reviews plans for permits and variances.
- 4) The Fire Prevention Division provides inspections of structures to ensure fire safety codes are being properly followed and enforced, as well as licensing and oversight activities over the following industries: fire equipment distributors, sprinkler contractors, pyrotechnic distributors and operators, and operators of mobile or above-ground liquid petroleum gas tanks.
- 5) The Petroleum and Chemical Safety Division provides inspection, investigation, and licensing of underground storage tanks and contractors, permitting and inspection of installation, upgrade, repair, and removal of underground storage tanks and piping, and responds to emergencies that involve hazardous regulated products stored in underground storage tanks.
- 6) The Personnel Standards and Education Division provides written examinations and certifications to firefighters throughout the state, as well as provides reimbursement to fire departments for training costs.
- 7) The Technical Services Section provides technical and engineering services, interprets codes, and provides training to Office personnel.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Arson Division

	Fiscal Year		
	2020	2019	2018
Fire Investigations	958	925	1,024
Canine Investigations	198	174	176
Special Agents as of June 30,	17	13	13

The Office 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, State and federal agencies 24 hours a day, 7 days a week. Arson Special Agents are sworn peace officers authorized to interview witnesses, collect evidence, make arrests, and appear in court. Also available are accelerant detecting canine teams. Canines 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. To reduce Special Agent caseloads and provide additional arson canine coverage statewide, in July 2020, the Office hired four new Special Agents, including one additional canine handler.

Boiler and Pressure Vessel Safety Division

	Fiscal Year		
	2020	2019	2018
Active Boilers and Pressure Vessels Requiring Inspection	99,052	98,973	99,090
Inspections Performed	37,572	45,617	44,642
Percentage of Boilers and Pressure Vessels that are Past Due for an Inspection	4.44%	2.22%	1.86%
Boiler Safety Specialists as of June 30,	19	18	18

The Office is responsible for administering the Boiler and Pressure Vessel Safety Act (430 ILCS 75) by regulating the construction, installation, operation, inspection, and repair of boilers and pressure vessels throughout the State. State Boiler Safety Specialists, as well as inspectors hired by private insurance companies, conduct in-service inspections of boilers and pressure vessels in schools, hospitals, churches, factories, day care centers, restaurants, dormitories, libraries, municipal buildings, refineries, chemical plants, prisons, and other facilities which operate boilers and pressure vessels. The Office also commissions boiler inspectors in the state, issues permits for all repairs conducted on boilers and pressure vessels, and licenses boiler and pressure vessel

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

repair firms. Due to the COVID-19 pandemic and the Office stopping most inspections in March 2020, the number of inspections performed declined which resulted in an increase in the percentage of boilers and pressure vessels that were past due for an inspection. The Office resumed emergency inspections in April 2020 and started most inspections back up in May 2020.

Elevator Safety Division

	Fiscal Year		
	2020	2019	2018
Conveyance Inspections Performed	36,683	35,400	36,064
Contractor Licenses Issued	134	20	24
Inspector Licenses Issued	69	66	71
Mechanic Licenses Issued	845	359	354
Apprentice Licenses Issued	132	137	108
Inspections Company Licenses Issued	14	11	13
Elevator Inspectors as of June 30,	5	5	4

The Office is responsible for implementing the Elevator Safety and Regulation Act (225 ILCS 312) 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 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. The Office currently has 179 agreements with municipalities to operate the program on behalf of the state in their municipalities.

Fire Prevention Division

	Fiscal Year		
	2020	2019	2018
Fire Prevention Inspections	11,023	11,567	9,502
Percentage of Annual School Inspections Completed Within the Statutorily Mandated 1 Year Timeframe	71%	79%	65%
Fire Prevention Inspectors as of June 30,	14	16	11

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The Office conducts inspections of buildings for compliance with the Life Safety Code. These inspections primarily concentrate on state-owned or regulated facilities including day care centers and group day care homes licensed by the Department of Children and Family Services, the Illinois Department of Aging, Correctional Centers, public schools (in cooperation with the Illinois State Board of Education), race tracks regulated by the Illinois Racing Board, permanently moored gaming facilities regulated by the Illinois Gaming Board, and telecommunications switching offices. The Office ensures compliance with regulations pertaining to LP-gas tanks and inspection of aboveground bulk and dispensing tank installations of flammable and combustible liquids. The Office also inspects certain “target” hazards, including the inspection of hotel/motel occupancies, and any occupancy where a fire hazard has been reported by the local fire authority or the general public. In addition to conducting inspections, the Office is also responsible for enforcing the Fire Equipment Distributor and Employee Regulation Act of 2011 (225 ILCS 217), Fire Sprinkler Contractor Licensing Act (225 ILCS 317), and the Pyrotechnic Use Act (425 ILCS 35) and Pyrotechnic Operator and Distributor Licensing Act (225 ILCS 227). Due to the COVID-19 pandemic and the Office stopping most inspections in March 2020, the number of inspections performed declined. The Office resumed emergency inspections in April 2020 and started most inspections back up in May 2020.

Petroleum and Chemical Safety Division

	Fiscal Year		
	2020	2019	2018
Active Underground Storage Tanks (USTs)	18,948	19,045	19,257
UST Tanks Maintained	120,983	119,120	118,671
UST Facility Inspections	9,813	10,090	11,148
Eligibility Applications Received	215	346	306
Motor Fuel Dispensing Facility Inspections	2,819	2,252	3,104
Applications Reviewed for Motor Fuel Dispensing Facilities	128	63	59
Storage Tank Safety Specialists as of June 30,	18	18	17

The Office is responsible for protecting against threats to human safety and contamination of the environment that can occur from underground storage of petroleum products and other hazardous substances through prevention, education, and enforcement. The Office works under a comprehensive program combining federal and state laws and rules to regulate UST system management, fuel dispensing, UST installation, repair and removal, emergency response, and

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

financial responsibility requirements. Additionally, the Office administers the state Eligibility and Deductibility (E&D) program, which is the first step for UST owners to follow when they have had a release or contamination incident and they wish to access the Leaking Underground Storage Tank Fund (LUST Fund), as well as oversees the Financial Responsibility program, which requires UST facility owners to have pollution liability policies in case of environmental or third party property and personal injury damages caused by product releases from USTs. Due to the COVID-19 pandemic and the Office stopping most inspections in March 2020, the number of inspections performed declined. The Office resumed emergency inspections in April 2020 and started most inspections back up in May 2020.

Personnel Standards and Education Division

	Fiscal Year		
	2020	2019	2018
Fire Departments Participating	832	875	882
Firefighter Examinations Given	7,177	10,687	12,796
Firefighter Certifications Issued	7,129	12,148	10,164
Fire Department Personnel Submitted for Training Reimbursement	811	1,094	873
Number of Courses Established for Certification	41	41	46
Division Headcount as of June 30,	11.5	10	9

The Office is responsible for overseeing the voluntary firefighter certification program for firefighters in the state. The Office ensures the standardization and enhancement in the levels of education and training for firefighters and professionals in Illinois with the highest priorities placed on safety and career advancement. The Office operates under the mandate of the Illinois Fire Protection Training Act (50 ILCS 740), which provides for the promotion of standards to protect the health, safety, and welfare of the public. Due to the COVID-19 pandemic, the Office stopped giving certification examinations in mid-March 2020 and did not resume until May 2020. In addition, electronic testing sites reduced capacity to 50%. Due to these circumstances the number of exams given and certifications issued dropped in Fiscal Year 2020.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Technical Services Section

	Fiscal Year		
	2020	2019	2018
Building, Renovation, Fire Suppression and Detection System Plans Reviewed	186	189	179
Applications Reviewed for UST, AST and LPF-Tank Work	535	529	464
Telephone, E-Mail and Written Inquires Handled	7,843	7,624	5,804
Percentage of Plan Reviews Completed Within 10 days	87.4%	34.0%	9.4%
Division Headcount as of June 30,	3	3	1

The Office provides the fire service and general public with technical and engineering expertise in the form of code interpretation and plan and application review. The Office reviews plans and applications submitted for installation or modification of above-ground flammable and combustible liquid storage tanks and liquefied petroleum gas tanks, reviews architectural and engineering drawings of new construction, renovations, and additions for compliance with state codes, analyzes Fire Safety Evaluation Systems (FSES) which offer owners alternative methods for proving equivalent life safety in nonconforming structures, and analyzes submitted Prison Fire Safety Plans for Illinois Correctional and Transitional facilities. The Office also delivers training to agency staff and local fire department personnel to familiarize them with applicable codes and changing technologies to ensure consistency in code enforcement across the state. In April 2019, two new employees were hired to deal with a backlog of plan reviews and increase the headcount in the Section to deal with continuing workloads. This resulted in a decrease in the time it takes for plan reviews to be completed.

Planning

In the fall of 2018, the State Fire Marshal, agency executive staff, and division managers engaged in a process to develop a 10-year Strategic Plan for the Office. The result of this process was the release of a 10-year Strategic Plan (2019-2029) in December 2018. In the plan the Office identified four main goals it would like to achieve over the next 10 years, including:

- Improving Staff Competency by Investing in Them – The Office will increase training opportunities for all OSFM staff and consequently achieve greater competency, expertise, and resiliency within our Office.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

- Enhance Our Ability to Communicate with Our Partners and Stakeholders – The Office will increase our public outreach efforts and capitalize on those relationships with our industry partners and stakeholders.
- Increase Our Productivity and Efficiency – The Office will reduce inefficiencies, adjust our staffing levels as necessary, and leverage Information Technology to our advantage.
- Advance Public Safety Interests by Assessing Emerging Threats and Vulnerabilities – The Office will monitor and assess developing threats and weaknesses that impact fire prevention, life safety, and the Illinois Fire Service.

The Office outlined 21 specific objectives and courses of action to be taken to meet the goals laid out in the Strategic Plan. The Office will review this plan annually to ensure that the Office remains on track with the stated objectives and goals.

Significant Challenges

One of the most significant challenges faced by the Office has been the COVID-19 pandemic which, beginning in March 2020, has had some impact on the operations of the Office. Since March 18, 2020, Office executive staff have met on a routine basis (initially seven days a week and now three times per week) to ensure that Office operations could be maintained as much as possible. The challenges faced by the Office have included dealing with an office staff that is largely working remotely, dealing with field staff that must continue to provide inspection services in the midst of a pandemic, and ensuring that all staff have adequate access, training on proper use, and instruction on when to use multiple levels of Personal Protective Equipment (PPE) that will enable them to continue performing their jobs safely.

- Office staff – In March 2020, most agency office staff began working remotely. The transition from in-office work to remote work created challenges that required the Office to quickly develop a plan that allowed its office staff to work remotely from home. While many employees had access to laptop computers that allowed them to be mobile, several office staff were without the equipment necessary to allow them to work from home. Within a short period of time the Office was able to secure all of the necessary information technology equipment that allowed all agency office staff to work remotely and currently all office staff are working at least partially remotely, rotating into the office as needed to allow them to complete their daily work.
- Field staff - As a result of the pandemic, the Office had to stop most of its inspection programs in March 2020 and did not fully resume inspections until May 2020. This has created backlogs in some inspection programs. This Office is currently dealing with this backlog through a managed overtime program which allows inspectors to work extra hours in their own areas of responsibility as well as travel to other areas of the state to assist in providing inspections in areas with large backlogs.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

- Personal Protective Equipment (PPE) – As with most agencies, when the COVID-19 pandemic began the Office did not have supplies of PPE. However, almost immediately the Office was able to begin securing the necessary PPE that would allow its staff to conduct their work as safely as possible, first utilizing PPE provided by the Illinois Emergency Management Agency and then by procuring PPE on its own through the normal procurement process. Currently, the Office has a stockpile of all necessary PPE and continues to distribute that PPE to all staff as needed. The Office also continues to utilize the procurement process to resupply its stock of PPE as necessary

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Fiscal Year 2020 Compared to Fiscal Year 2019

General Revenue Fund – 001

Personal Services

There was a one-time appropriation for union back pay in Fiscal Year 2019.

Fire Prevention Fund - 047

Commodities

Spending increased primarily due to increased purchases of uniform items in Fiscal Year 2020.

Equipment

Spending increased in Fiscal Year 2020 due to the purchase of new vehicles.

Operation of Automotive Equipment

Spending decreased due to decreased inspector travel as a result of a reduction in inspections due to the COVID-19 pandemic.

Firefighter Training Programs

This is a grant provided to the Illinois Fire Service Institute. The purpose of the grant was expanded in Fiscal Year 2020 to allow for the purchase of firefighter training equipment.

Gross Decontamination Buckets

This was a new grant program in Fiscal Year 2020.

Minimum Basic Firefighter Training

This was a new grant program in Fiscal Year 2020.

Firefighter Peer Support Program

This was a new grant program in Fiscal Year 2020.

Small Equipment Grant

This grant program is not offered on a routine basis. The Office's decision to operate the program is based on Office priorities and funds available in the Fire Prevention Fund. The Office decided to fund this grant in Fiscal Year 2020 based on those considerations.

Public Safety Shared Services Center

The decrease in spending was due to the Office deconsolidating from the Public Safety Shared Services Center in Fiscal Year 2020.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

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.

Contractual Services

Spending was higher in Fiscal Year 2020 primarily due to the fact that more payments for the Office's contract with a vendor for the Underground Storage Tank System were made from state funds in Fiscal Year 2020. Those same payments were made from federal funds in Fiscal Year 2019.

Equipment

The decrease in spending was due to the one-time purchase of computers and a vehicle in Fiscal Year 2019.

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. The Office makes payments to the Illinois Finance Authority on a periodic basis. The increase in expenditures is due to timing differences in payments to the Illinois Finance Authority (some revenues received in Fiscal Year 2019 were paid in Fiscal Year 2020).

Fiscal Year 2019 Compared to Fiscal Year 2018

General Revenue Fund – 001

Personal Services

There was a one-time appropriation for union back pay in Fiscal Year 2019.

Fire Prevention Fund - 047

Equipment

Spending decreased in Fiscal Year 2019 due to a one-time large vehicle purchase in Fiscal Year 2018.

Telecommunications

Spending decreased in Fiscal Year 2019 due to a one-time purchase of STARCOM radios in Fiscal Year 2018.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Operation of Automotive Equipment

Increase is due primarily to increased fuel costs (approximately \$18,000 increase), increased maintenance costs (approximately \$12,000 increase), and increased costs for striping new vehicles (approximately \$5,000 increase).

Fire Explorer and Cadet School

This grant was reserved in Fiscal Year 2018, and therefore, there were no expenditures.

Firefighter Training Programs

This was a new grant program funded in Fiscal Year 2019.

Cornerstone Program

This was a new grant program funded in Fiscal Year 2019.

Online Firefighter Certification Testing

The Office began offering computer-based firefighter certification testing at the end of Fiscal Year 2018. The program began to ramp up as firefighters began to take advantage of computer-based testing.

Small Equipment Grant

This grant program is not offered on a routine basis. The Office's decision to operate the program is based on Office priorities and funds available in the Fire Prevention Fund. The Office decided not to fund this grant in Fiscal Year 2019 based on those considerations

Public Safety Shared Services Center

This line item pays for the salaries and benefits of employees at the Public Safety Shared Services Center. There were fewer employees funded from this line item in Fiscal Year 2019 compared to Fiscal Year 2018.

Underground Storage Tank Fund – 072

Contractual Services

Spending was lower in Fiscal Year 2019 primarily due to the fact that more payments for the Office's contract with a vendor for the Underground Storage Tank System were made from State funds in Fiscal Year 2018. Those same payments were shifted to federal funds in Fiscal Year 2019.

Equipment

The increase in spending was due to the one-time purchase of computers and a vehicle in Fiscal Year 2019.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

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. The Office makes payments to the Illinois Finance Authority on a periodic basis. The decrease in expenditures is due to timing differences in payments to the Illinois Finance Authority (some revenues received in Fiscal Year 2019 were paid in Fiscal Year 2020).

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2020
(NOT EXAMINED)

Fiscal Year 2020 Compared to Fiscal Year 2019

Fire Prevention Fund – 047

Sprinkler Contractor License Fees

The decrease was due to fewer license renewals in Fiscal Year 2019. Licenses are required to be renewed every two years.

Elevator Safety Fees

The decrease was due to fewer license renewals in Fiscal Year 2020. Mechanic and Contractor licenses are required to be renewed every two years.

Reimbursement/Jury Duty and Recoveries

The decrease was due to a one-time refund of overpayments paid to the Retirement Systems collected in Fiscal Year 2019.

Pyrotechnic Distributor and Operator License Fees

The reduction was due to fewer licenses needed due to a reduction in pyrotechnic shows as a result of COVID-19.

Underground Storage Tank Fund – 072

UST Fines, Penalties, or Violations

The decrease was due to more fines and penalties being collected in Fiscal Year 2019. Fines and penalties are assessed as needed.

UST Licenses, Fees, or Registrations

Fees collected are based on contractors seeking licenses for UST activity. Licenses are applied for as needed.

Fire Prevention Division Fund – 580

Environmental Protection Agency Grant

The decrease was due to a large purchase for vehicles in Fiscal Year 2018 which was not paid until the Fiscal Year 2018 Lapse Period and, therefore, the grant drawdown did not occur until Fiscal Year 2019. A similar drawdown was not necessary in Fiscal Year 2020.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2020
(NOT EXAMINED)

Fiscal Year 2019 Compared to Fiscal Year 2018

Fire Prevention Fund - 047

Underground Storage Tank Permit Fees

Permits are issued as requested. The increase in fees was due to increased permit requests in Fiscal Year 2019.

Sprinkler Contractor Licenses

The increase was due to fewer license renewals in Fiscal Year 2019. Licenses are required to be renewed every two years.

Reimbursement/Jury Duty and Recoveries

The increase was due to a one-time refund of overpayments paid to the Retirement Systems collected in Fiscal Year 2019.

Underground Storage Tank Fund – 072

UST Fines, Penalties, or Violations

The decrease was due to more fines and penalties being collected in Fiscal Year 2018. Fines and penalties are assessed as needed.

UST Licenses, Fees, or Registrations

Fees collected are based on contractors seeking licenses for UST activity. Licenses are applied for as needed.

Fire Prevention Division Fund – 580

Environmental Protection Agency Grant

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

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Fiscal Year 2020

Fire Prevention Fund - 047

Fire Explorer and Cadet School

The Office did not receive any invoices for this grant program until the lapse period. Timing of invoices is determined by the grantee.

Cornerstone Program

The Office did not receive final invoices for this grant program until the lapse period. Timing of invoices is determined by the grantee.

Firefighter Training Programs

The Office did not receive final invoices for this grant program until the lapse period. Timing of invoices is determined by the grantee.

Gross Decontamination Buckets

The Office did not receive any invoices for this grant program until the lapse period. Timing of invoices is determined by the grantee.

Minimum Basic Firefighter Training

The Office did not receive the final invoice for this grant program until the lapse period. Timing of invoices is determined by the grantee.

Chicago Fire Department Training Program

The Office did not receive the 4th quarter payment request for this grant until the lapse period.

Small Equipment Grant

Grant agreements for these grants were not signed until June, which resulted in all payments for these grants being processed in the lapse period.

Underground Storage Tank Fund – 072

State Underground Storage Tank Program

The Office did not receive the fourth quarter payment request for this grant until the lapse period.

Illinois Firefighters' Memorial Fund - 510

Firefighters' Memorial

The Office did not receive the invoice from the Illinois Firefighter Memorial Foundation (Foundation) until the lapse period. The Foundation invoices the Office once a year.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Fiscal Year 2019

General Revenue Fund – 001

These were payments for union back pay. The Office did not receive instructions to process these payments until the lapse period.

Fire Prevention Fund - 047

Commodities

There was a large payment during the lapse period for the purchase of smoke detectors for the Be Alarmed! smoke-detector give-away program. Smoke alarms are purchased as needed to replenish the supply.

Equipment

These were primarily payments for equipment for Arson Special Agents, including cameras, scene lights, K-9 kennels, heat alert systems, and tool boxes for vehicles. These items were all ordered in May and June and were done in anticipation of the hire of 4 new Arson Special Agents in July 2019.

Operation of Automotive Equipment

These were primarily payments of fuel card invoices from April, May, and June.

Fire Explorer Cadet School

The Office did not receive the final invoice for this grant program until the lapse period. Timing of invoices is determined by the grantee.

Firefighter Training Programs

The Office did not receive the final invoice for this grant program until the lapse period. Timing of invoices is determined by the grantee.

Online Firefighter Certification Testing

These were payments of May and June invoices.

Chicago Fire Department Training Program

The Office did not receive the fourth quarter payment request for this grant 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, 2020

(NOT EXAMINED)

Underground Storage Tank Fund - 072

Contractual Services

Spending was primarily due to the payment of April and June invoices for building rent for the Office located at 1035 Stevenson Drive in Springfield.

Equipment

This was a payment for the purchase of a Ford F-150 vehicle. The vehicle was not received until the lapse period. The vehicle was ordered in February 2019.

Operation of Automotive Equipment

These were primarily payments of fuel card invoices from April, May, and June.

State Underground Storage Tank Program

The Office did not receive the fourth quarter payment request for this grant until the lapse period.

Illinois Firefighters' Memorial Fund - 510

Firefighters' Memorial

The Office did not receive the invoice from the Foundation until the lapse period. The Foundation invoices the Office once a year.

**STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
NUMBER OF EMPLOYEES**

(NOT EXAMINED)

For the Fiscal Year Ended June 30,

	2020	2019	2018
<u>AVERAGE FULL-TIME EMPLOYEES</u>			
Function			
Arson Investigation	20	16	16
Fire Prevention	23	23	19
Fire Service Outreach	3	2	2
Personnel Standards and Education	11	9	8
Petroleum and Chemical Safety	25	24	23
Boiler and Pressure Vessel Safety	20	20	20
Elevator Safety	10	9	9
Technical Services	3	2	2
Support Functions			
Fire Marshal	1	1	1
Executive	7	6	6
Fiscal	3	1	0
Internal Audit	1	1	1
Legal	8	8	7
Special Projects	4	3	3
Administrative	3	4	4
Total Full-Time Equivalent Employees	<u>142</u>	<u>129</u>	<u>121</u>

Note 1: This schedule presents the average number of employees, by function, at the Office.

STATE OF ILLINOIS
OFFICE OF THE STATE FIRE MARSHAL
DISCLOSURE OF EMERGENCY PURCHASES
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Fiscal Year 2020

The Office of the State Fire Marshal (Office) had one emergency purchase in Fiscal Year 2020, originally filed for in Fiscal Year 2018, where the final cost was not yet known as of the end of fieldwork on its previous examination.

To Prevent or Minimize Serious Disruption in Critical State Services that Affect Health, Safety, or Collection of Substantial State Revenues

Morrow Brothers SUVs

The Office needed to do a one-time purchase of 23 SUVs that were previously ordered under an executed master contract but had to be canceled since the vendor (Wright Automotive) could no longer provide the vehicles. The Office contracted with Morrow Brothers Inc. because the vehicles originally ordered were on the lot at Morrow Brothers Inc. and ready for Office to take possession. The Office initial estimate for the purchase was \$594,320. Ultimately, the Office paid its vendor, Morrow Brothers Ford, Inc., \$594,320 to complete the purchase.

Fiscal Year 2019

The Office of the State Fire Marshal did not have any emergency purchases during Fiscal Year 2019.