



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

OFFICE OF THE STATE FIRE MARSHAL

State Compliance Examination
 For the Two Years Ended June 30, 2022

Release Date: December 21, 2023

FINDINGS THIS AUDIT: 23				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Category 1:	3	6	9	2020	22-4, 22-5	22-11, 22-20, 22-22, 22-23	
Category 2:	6	8	14	2018	22-2, 22-3, 22-8	22-12, 22-15, 22-16, 22-21	
Category 3:	0	0	0	2016	22-1		
TOTAL	9	14	23				
FINDINGS LAST AUDIT: 21							

SYNOPSIS

- **(22-01)** The 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.
- **(22-02)** The Office did not exercise adequate controls over its collection of fees and accounts receivable.
- **(22-03)** The Office did not perform all inspections of public schools or always report identified violations to the regional superintendents.
- **(22-04)** The Office did not have interagency agreements with the Department of Public Health to ensure fire safety inspections were being performed to comply with licensing requirements for various facilities.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**FAILURE TO ESTABLISH AND MAINTAIN A
STATEWIDE ARSONIST DATABASE**

**Statewide Arsonist Database not
available to public**

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 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 (Finding 1, page 11). **This finding has been reported since 2016.**

We recommended 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 accepted our recommendation

The Office accepted the finding. In its formal response, the Office noted the Department of State Police is required to provide the Office with registration information of persons who are required to register under the Act, and the Office noted this information is not currently being collected by the Department of State Police nor being sent to the Office.

**INADEQUATE CONTROLS OVER FEES AND
ACCOUNTS RECEIVABLE**

The Office did not exercise adequate controls over its collection of fees and accounts receivable as follows:

**Incomplete information gathered to
facilitate subsequent collection
efforts**

- 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. 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) an (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).

Delinquent accounts receivable not referred to Debt Collection Bureau

- For all remaining fees, the Office did not refer any of its delinquent accounts receivable to the Bureau.

On its June 30, 2022 accounts receivable reports, the Office reported receivables totaling \$11.812 million, including \$11.638 million reported as more than 90 days past due (Finding 2, pages 12-14). **This finding has been reported since 2018.**

We recommended 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, we recommended the Office refer qualifying debt to the Bureau for external collection efforts.

Office agreed with finding

The Office agreed with the finding, noting they often face issues in identifying which party maintains ultimate responsibility for a boiler or pressure vessel. The Office also pointed to a lack of authority per State statute or administrative rule to mandate collection of a TIN, and without this information, the Office faces difficulty in filing an offset or engaging in other collection methods for delinquent invoices.

FAILURE TO PERFORM SCHOOL FIRE INSPECTIONS OR REPORT VIOLATIONS

The Office did not perform all inspections of public schools or always report identified violations to the regional superintendent of schools (superintendent) as follows:

Fire safety inspections of public schools not conducted

- The Office did not perform annual fire safety inspections of each public school within the State. We noted 807 of 3,420 (24%) and 185 of 3,393 (5%) schools were not inspected during Fiscal Year 2021 and Fiscal Year 2022, respectively.

Insufficient controls to ensure violations identified were timely communicated

- 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. In cases where local fire departments performed the necessary inspections, the Office relied on the local fire department to communicate the noted violations to the regional superintendent of schools, and the Office did not receive documentation to substantiate such communication had occurred in all instances.

Did not ensure violations identified were sent to the regional superintendent of schools timely

- Fifty-four of 60 (90%) sample inspections of public schools conducted by the Office or a qualified official to whom the Office had delegated its authority during the examination period contained violations noted by the inspector. For those 54 inspections containing violations, we noted 8 (15%) reports with violations did not have evidence the report had been submitted to the superintendent, and 1 (2%) report with violations was reported to the superintendent 2 days late.

No supporting documentation maintained for inspection performed

- The Office was unable to provide supporting documentation for 1 of 60 (2%) inspections performed (Finding 3, pages 15-17).

This finding has been reported since 2018.

We recommended the Office work with the Governor and General Assembly to ensure sufficient resources exist to timely conduct public school building inspections. In addition, we recommended the Office enhance its internal controls to provide assurance violation reports were timely sent to the school's applicable superintendent, and the Office should ensure copies of all inspections performed are retained.

Office agreed with finding

The Office agreed with the finding and noted they have implemented a new internal procedure to ensure all public schools are inspected annually and achieved 100% compliance during the last school year. The Office also pointed to other corrective action in progress to address the remaining conditions identified.

LACK OF INTERAGENCY AGREEMENTS WITH THE DEPARTMENT OF PUBLIC HEALTH

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

The following statutes (collectively, the Acts) require the Office to perform necessary fire inspections of various facilities to comply with licensing requirements:

- Community Living Facilities Act (210 ILCS 35/8.5),
- MC/DD Act (210 ILCS 46/3-216), and
- ID/DD Community Care Act (210 ILCS 47/3-216).

In addition, the Acts indicate the Office may enter into an agreement with another State agency to conduct fire safety inspections if qualified personnel are employed by the agency.

No interagency agreements to ensure required fire safety inspections were being performed by qualified personnel

Our testing indicated the Office did not enter into formal interagency agreements with the Department of Public Health to ensure the required fire safety inspections were being performed by qualified personnel. As a result, we could not conclude if the Office performed any inspections of the facilities licensed under the Acts (Finding 4, pages 18-19).

We recommended the Office work with the Department of Public Health to formally reduce the agreements to perform inspections on the Office's behalf to writing.

Office agreed with finding

The Office agreed with the finding and noted they will continue their efforts to work with the Department of Public Health to enter into a formalized agreement outlining each party's responsibilities

OTHER FINDINGS

The remaining findings pertain to inadequate controls over information technology functions, State vehicles, monthly reconciliations, State property, receipts, and grant agreements; noncompliance with an interagency agreement; and multiple instances of noncompliance with statutory mandates. We will review the Office's progress towards the implementation of our recommendations in our next State compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the Office for the two years ended June 30, 2022, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2022-001 through 2022-009. Except for the noncompliance described in those findings, the accountants stated the Office complied, in all material respects, with the requirements described in the report.

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

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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