



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

GUARDIANSHIP AND ADVOCACY COMMISSION

Compliance Examination
 For the Two Years Ended June 30, 2019

Release Date: March 18, 2021

FINDINGS THIS AUDIT: 14				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:	2	0	2	2017		19-06	
Category 2:	7	5	12	2015		19-05	
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>	2011		19-04	
TOTAL	9	5	14	2009		19-07	
				2007		19-03	
FINDINGS LAST AUDIT: 5							

SYNOPSIS

- **(19-01)** The Commission did not exercise adequate controls over its receipt processing.
- **(19-02)** The Commission did not maintain adequate controls over its interagency agreements.

<p>Category 1: Findings that are material weaknesses in internal control and/or a qualification on compliance with State laws and regulations (material noncompliance).</p> <p>Category 2: Findings that are significant deficiencies in internal control and noncompliance with State laws and regulations.</p> <p>Category 3: Findings that have no internal control issues but are in noncompliance with State laws and regulations.</p>

**GUARDIANSHIP AND ADVOCACY COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019**

EXPENDITURE STATISTICS	2019	2018	2017
Total Expenditures.....	\$ 11,234,925	\$ 9,786,547	\$ 9,800,370
OPERATIONS TOTAL.....	\$ 11,231,054	\$ 9,786,547	\$ 9,800,370
% of Total Expenditures.....	100.0%	100.0%	100.0%
Personal Services.....	9,094,438	8,182,082	8,301,970
Other Payroll Costs (FICA, Retirement).....	741,879	673,262	649,499
All Other Operating Expenditures.....	1,394,737	931,203	848,901
REFUNDS.....	\$ 3,871	\$ -	\$ -
% of Total Expenditures.....	0.0%	0.0%	0.0%
Total Receipts.....	\$ 164,910	\$ 188,213	\$ 101,175
Average Number of Employees.....	105	102	100

AGENCY DIRECTOR
During Examination Period: Dr. Mary Milano
Currently: Dr. Mary Milano

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INADEQUATE CONTROL OVER RECEIPT PROCESSING

The Guardianship and Advocacy Commission (Commission) did not exercise adequate controls over its receipt processing.

During testing, we noted the following:

Refunds improperly processed as receipts

- The Commission improperly processed all of its refund transactions as receipts during the examination period. In each of these six instances, totaling \$7,655, the Commission recorded the transaction on a Receipt Deposit Transmittal form instead of the required Expenditure Adjustment Transmittal (EAT) form.

Lack of segregation of duties over receipt processing

- The Commission failed to maintain an adequate segregation of duties over its receipt processing procedures. More specifically, one individual performed multiple 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 C-64 forms;
 - **Custody** by handling and depositing physical checks and money orders and maintaining electronic and physical records; and,
 - **Recordkeeping** by preparing entries and maintaining the Commission's internal accounting records.

Receipt records could not be reconciled to Comptroller records

- The Commission's receipt records could not be reconciled to the Comptroller's records (i.e. the Monthly Revenue Status Report (SB04)) due to unsupported processing error amounts totaling \$1,731 and \$11,359 in Fiscal Year 2018 and Fiscal Year 2019, respectively. Additional support could neither be located nor provided by the Commission.

Records maintained by the Commission indicate receipts totaling \$188,213 and \$164,910 were processed during Fiscal Year 2018 and Fiscal Year 2019, respectively. (Finding 1, pages 12-13)

We recommended the Commission ensure it processes its refund receipts correctly, maintains adequate segregation of duties over receipt processing, and prepares monthly

reconciliations as required. In addition, we recommended the Commission should follow up and correct any errors noted during the reconciliation process.

Commission officials agree

Commission officials agreed with our recommendation.

INADEQUATE CONTROL OVER INTERAGENCY AGREEMENTS

The Commission did not maintain adequate controls over its interagency agreements.

The Commission provided an initial list of interagency agreements but later added an additional agreement. Also, the Commission removed agreements from the initial listing as the Commission later determined they were not interagency agreements.

Accountants could not rely on population records

Due to this condition, the accountants concluded the Commission'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:

Agreements expired and had not been replaced or renegotiated

- One of three (33%) interagency agreements tested expired as of December 31, 2017, and had not been replaced or renegotiated.

Referrals from DCFS are not tracked

- The Commission is not tracking referrals from the Department of Children and Family Services (DCFS). Therefore, we cannot determine if the Commission is in compliance with the terms of the interagency agreement.

Accountants could not rely on population records of DCFS referrals

- Since the Commission is not tracking referrals from DCFS, we could not determine the population of referrals for the two year period and, therefore, could not test the compliance with the interagency agreement.

Due to these conditions, the accountants concluded the Commission's population records for referrals from DCFS were not sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35). (Finding 2, pages 14-15)

We recommended the Commission ensure interagency agreement records are properly tracked and maintained.

Commission officials agree

Commission officials agreed with our recommendation.

OTHER FINDINGS

The remaining findings pertain to inadequate controls over employee attendance records, performance evaluations, State property, reconciliations, payroll files, voucher processing, locally held funds, and report submissions; weaknesses in internal control over Agency Workforce Reports; noncompliance with the Guardianship and Advocacy Act; weaknesses regarding electronic data processing procedures; and weaknesses regarding cybersecurity programs and practices. We will review the Commission's progress towards the implementation of our recommendations in our next compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Agency for the two years ended June 30, 2019, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2019-001 and 2019-002. Except for the noncompliance described in these findings, the accountants stated the Commission complied, in all material respects, with the requirements described in the report.

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

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

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

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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