



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS BOARD OF ADMISSIONS TO THE BAR

**FINANCIAL AUDIT AND COMPLIANCE
EXAMINATION**
For the Two Years Ended: September 30, 2013
Release Date: May 15, 2014

Summary of Findings:
Total this audit: 1
Total last audit: 1
Repeated from last audit: 0

SYNOPSIS

- The Board lacked adequate segregation of duties in respect to the record keeping and custody over the cash receipts and disbursements function.

{ Financial data and Activity Measures are summarized on the reverse page. }

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended September 30, 2013

REVENUES AND EXPENSES (accrual basis)	2013	2012	2011
Total Revenues			
Examination fees.....	\$ 2,070,760	\$ 1,895,422	\$ 1,518,825
Admission on motion fees.....	324,100	253,200	211,050
House counsel and legal service fees.....	103,550	68,750	46,000
Investment income.....	8,082	28,544	76,313
Character and fitness fees.....	1,228,100	1,234,900	1,211,000
Credit card fees.....	59,910	58,965	57,910
Other income.....	15,153	(20,024)	115
Total Revenues.....	<u>\$ 3,809,655</u>	<u>\$ 3,519,757</u>	<u>\$ 3,121,213</u>
Total Expenses			
Staff salaries, wages and payroll taxes	\$ 1,172,270	\$ 1,162,817	\$ 1,143,727
Proctor salaries, wages and payroll taxes.....	111,689	121,164	243,785
Examination purchases.....	353,850	321,911	304,991
Examination grading.....	304,016	292,756	302,837
Examination administration.....	396,569	382,081	440,526
Admissions ceremony.....	46,606	124,614	113,859
Occupancy costs.....	80,496	106,104	83,968
Insurance.....	249,816	247,720	235,894
General operating.....	444,735	527,577	540,562
Miscellaneous.....	54,958	62,091	39,423
Character and fitness review costs.....	36,055	33,400	31,361
Total Expenses	<u>\$ 3,251,060</u>	<u>\$ 3,382,235</u>	<u>\$ 3,480,933</u>

SELECTED ACTIVITY MEASURES (Unaudited)	2013	2012	2011
Number of Exams Written			
February.....	985	901	884
July.....	2,592	2,616	2,490
Total.....	<u>3,577</u>	<u>3,517</u>	<u>3,374</u>

AGENCY DIRECTOR	
During Examination Period:	Regina Kwan Peterson
Currently:	Regina Kwan Peterson

FINDING, CONCLUSION, AND RECOMMENDATION

INADEQUATE SEGREGATION OF DUTIES

Same employee recorded, deposited, and reconciled transactions

The Illinois Board of Admissions to the Bar (Board) did not adequately segregate duties for the record keeping and custody of cash receipts and disbursements functions.

The Board's accountant prepares and records checks and electronic transfers, receives unopened bank statements, and also prepares monthly bank reconciliations. The Board's accountant also prepares the deposit slip, records deposits in the general ledger, and takes deposits to the bank. (Finding 1, page 6)

We recommended an employee other than the accountant receive unopened bank statements, prepare or review monthly bank reconciliations, and prepare or verify deposits.

Board agreed with finding and recommendation

Board management agreed with the finding and stated actions have been taken to improve segregation of duties consistent with the recommendation.

AUDITORS' OPINION

Our special assistant auditors stated the September 30, 2013 and September 30, 2012 Illinois Board of Admissions to the Bar financial statements are fairly presented in all material respects.

A handwritten signature in blue ink, appearing to read "William G. Holland", with a small number "2" at the bottom right of the signature.

WILLIAM G. HOLLAND
Auditor General

WGH:lkw

AUDITORS ASSIGNED

Doehring, Winders & Co., LLP was our special assistant auditor for this audit.