



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**ILLINOIS STATE POLICE**

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

Release Date: April 13, 2023

FINDINGS THIS AUDIT: 39				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>
<b>Category 1:</b>	<b>3</b>	<b>12</b>	<b>15</b>	2020	<b>9, 10, 11, 12, 14</b>	<b>16, 18, 19, 20, 24, 25, 26, 27, 28, 29</b>	
<b>Category 2:</b>	<b>10</b>	<b>14</b>	<b>24</b>	2018	<b>3</b>		
<b>Category 3:</b>	<b>0</b>	<b>0</b>	<b>0</b>	2016	<b>8</b>	<b>17, 23</b>	
<b>TOTAL</b>	<b>13</b>	<b>26</b>	<b>39</b>	2012	<b>4</b>	<b>22</b>	
				2010	<b>2, 13</b>	<b>21</b>	
				2004	<b>6</b>		
				2002	<b>1</b>		
<b>FINDINGS LAST AUDIT: 32</b>							

**INTRODUCTION**

Because of the significance and pervasiveness of the findings described within the report, we expressed an adverse opinion on the Illinois State Police’s compliance with specified requirements which comprise a State compliance examination. The Codification of Statements on Standards for Attestation Engagements (AT-C § 205.74) states a practitioner “should express an adverse opinion when the practitioner, having obtained sufficient appropriate evidence, concludes the misstatements, individually or in the aggregate, are both material and pervasive to the subject matter.”

**SYNOPSIS**

- **(22-01)** The Department did not exercise adequate controls over State property and equipment.
- **(22-05)** The Department failed to ensure separated employees were properly removed from payroll.
- **(22-09)** The Department did not timely process Firearm Owners Identification and Concealed Carry applications.

**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**

**INADQUATE CONTROLS OVER PROPERTY AND  
EQUIPMENT**

The Illinois State Police (Department) did not exercise adequate controls over State property and equipment.

**Department's populations were not sufficient**

Due to the following process and control deficiencies identified below, we were unable to conclude whether the Department's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36) in order to test the Department's controls over State property and equipment.

*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, we performed the following tests:*

**Annual Certification of Inventory contained discrepancies**

During review of the Department's Annual Certification of Inventory discrepancy listings, we noted:

- The Department did not have adequate controls over lost or missing property. We noted 60 of 60 (100%) items listed as lost or missing could possibly have had confidential information stored on them. In addition, the Department was unable to identify the use or the type of data stored or placed on all 60 items. Items included servers, computers, laptops, tablets, and a video camera with a memory card.
- Sixty of 60 (100%) equipment items listed as lost or missing on the Agency's discrepancy listing did not have documentation documenting encryption had been deployed and in use on the equipment.

**Unable to reconcile expenditures and the Department's property records**

We noted the Department was unable to reconcile the differences noted between the Object Expense/Expenditures by Quarter Report (SA02) and the Agency's Report of State Property (C-15) reports. During the engagement period, the Department had \$47,072,572 in gross equipment and electronic data processing expenditures. However, \$45,320,398 in gross equipment and electronic data processing expenditures were reported on the C-15.

**Unable to reconcile property additions, deletions and transfers to property listing**

When attempting to reconcile the Department's Fiscal Year 2022 schedules of additions, deletions, and transfers to the Department's Fiscal Year 2022 property control listing, we noted \$4,138,723 of unknown activity that was not reported on the Department's Fiscal Year 2022 schedules of additions, deletions, and transfers. The Department was unable to identify the unknown activity.

When attempting to reconcile the Department's Fiscal Year 2021 schedules of additions, deletions, and transfers to the Department's Fiscal Year 2021 property control listing, we noted \$5,059,628 of unknown activity that was not reported on the Department's Fiscal Year 2021 schedules of additions, deletions, and transfers. The Department was unable to identify the unknown activity.

**June 30<sup>th</sup> property records did not agree to reports submitted to the Comptroller**

When testing for accuracy and timeliness of the Department's C-15 reports filed with the Comptroller, we noted:

- The Department's property records at June 30, 2022 and 2021 did not agree to the C-15 reports submitted to the Comptroller by approximately \$5,474,228 and \$5,203,028, respectively. The Department was unable to complete a reconciliation between the Department's records and the C-15 reports at June 30, 2022 and 2021.
- The Department's Fiscal Year 2022 and Fiscal Year 2021 records of additions, deletions, and transfers did not agree to the C-15 reports submitted to the Comptroller by \$5,638,232 and \$4,585,567, respectively. The Department did not attempt to prepare a reconciliation between the Department's Fiscal Year 2022 and Fiscal Year 2021 records of additions, deletions, and transfers and the C-15 reports.
- Two of eight (25%) C-15 reports submitted to the Comptroller were filed two and five days after the due date.

**Property records not timely updated**

During our testing of the Department's records for timely acquisition, change, or deletion of equipment items, we noted:

- Six of 60 (10%) equipment items, totaling \$371,143, were added to the Department's inventory records between 165 and 1,333 days from the date of the acquisition.
- Nine of 60 (15%) equipment items, totaling \$118,851, were deleted from the Department's inventory records between 36 and 868 days after the disposal date of the property.
- Six of 60 (10%) equipment items, totaling \$125,558, were deleted from the Department's inventory records between 22 and 646 days before the disposal date of the property

During testing of the Department's records for proper recording of transfers and deletions, we noted five of 60 (8%) items, totaling \$156,155, did not have the correct acquisition cost reported on the Surplus Property Delivery form.

During testing of the Annual Certification of Inventory, we noted:

- The Fiscal Year 2022 and Fiscal Year 2021 Annual Certification of Inventory could be inaccurate based upon failure to perform reconciliations of the Department's property records and the Department not taking appropriate measures to ensure the accuracy of the annual physical counts of inventories. The Fiscal Year 2022 Annual Certification of Inventory reported 719 missing items totaling \$1,533,460 of the total inventoried items. The

Fiscal Year 2021 Annual Certification of Inventory reported 1,413 missing items totaling \$2,454,518 of the total inventoried items.

- Eleven of 60 (18%) equipment items, totaling \$20,101, were reported on both Fiscal Year 2022 and Fiscal Year 2021 Annual Certification of Inventory as being unable to be located. Of the eleven, four items, totaling \$12,141, were not removed from the Department's June 30, 2022 property records and eleven items, totaling \$20,101, were not removed from the Department's June 30, 2021 property records.

#### **Equipment additions discrepancies**

During testing of the Department's equipment additions, we noted:

- Eight of 60 (13%) items, totaling \$493,723, did not have supporting documentation for the equipment addition to the Department's property records.
- Seven of 60 (12%) items, totaling \$44,528, were recorded on the Department's property records at the incorrect value. The items netted to a total overstatement of \$9,344.

During forward (list to floor) and backwards (floor to list) testing, we noted the following:

- Seven of 60 (12%) items, totaling \$16,917, were unable to be located at the Department. The un-located items included a trailer, desk, tasers, and radars.
- Three of 60 (5%) items, totaling \$17,909, were not tagged. The items included a dispatch console, vehicle topper shelter, and golf cart.
- Two of 60 (3%) items, totaling \$59,951, had a different tag number than what was recorded on the Department's property records.
- One of 60 (2%) items located within the Department were not found on the Department's property records. The item was a data storage backup and since the item was not recorded in the Department's records, the value could not be determined.
- Seventeen of 120 (14%) items were found in a different location than indicated on the Department's property records.

#### **No policies and procedures over equipment subject to high theft**

During review of the Department's policies and directives, we noted the Department did not have a policy clearly delineating the categories of equipment considered subject to theft. (Finding 1, pages 12-18) **This finding has been repeated since 2002.**

We recommended the Department develop procedures to immediately assess if an electronic device may have contained confidential information whenever it is reported lost, stolen, or missing during the annual physical inventory, and document the results of the assessment. We also recommended the Department strengthen its controls to ensure all equipment is accurately and timely recorded or removed from the

Department's property records and ensure accurate reports are submitted to the Comptroller. Furthermore, we recommended the Department reconcile its property records to the Comptroller's records and adopt a policy clearly delineating the categories of equipment considered to be subject to theft.

**Department agreed**

The Department agreed with the finding and stated they take the loss of property, particularly property that may contain confidential information seriously and that the Department began implementing measures in the second half of Fiscal Year 2022 to ensure adequate encryption of all devices and to reduce the vulnerability that possible loss would pose.

The Department also stated it did not have appropriate staffing for property control since this function returned to the Department from the Public Safety Shared Service Center (PSSSC) in 2019. This, combined with poor records at the time the function returned, has created a number of challenges. The Department is committed to cleaning up old records and working toward sufficient training and staffing going forward. By investing in appropriate staffing and sufficient training, the Department intends to eliminate historical inaccuracies and ensure accurate and timely data entry and reconciliations going forward.

**FAILURE TO REMOVE EMPLOYEES FROM PAYROLL**

The Department failed to ensure separated employees were properly removed from payroll.

**Separated employee remained on payroll**

**Overpaid \$37,116**

We reviewed personnel files and payroll records for 12 employees, which had separated during the examination period, noting one (8%) employee remained on payroll for fourteen pay periods after separation. As a result, the employee was overpaid a total of \$37,116. None of the overpayments had been collected by the Department as of November 2022. (Finding 5, page 25)

We recommended the Department strengthen its controls to ensure personnel transactions are timely implemented. In addition, we recommended the Department work with the individual to obtain reimbursement.

**Department agreed**

The Department agreed with the finding and stated for the employee in question, once the Department learned of the issue, payroll immediately notified the division, completed documentation to remove the employee, and initiated collection of the overpayment. In addition, Department management stated process changes have been made to ensure this issue is addressed and will continue to monitor its processes to prevent future occurrences and that the Department has established a tracking system for overpayments of any payroll disbursement of earnings.

## **FAILURE IN PROCESSING FOID AND CONCEALED CARRY APPLICATIONS TIMELY**

The Department did not timely process Firearm Owners Identification (FOID) and Concealed Carry applications.

During testing of FOID applications, we noted:

**33% of FOID applications not timely processed**

- Five of 15 (33%) applications were not processed within 30 days, with delays ranging from 100 to 168 days.
- One of 15 (7%) renewal applications was not processed within 60 business days, with a delay of 18 days.
- Two of 15 (13%) card holders were not notified their FOID cards were expiring within 60 days.
- Three of 15 (20%) card holders were not notified their FOID cards were expiring within 180 days.
- The Department could not provide documentation to demonstrate the FOID card application fees were deposited into the correct funds. During Fiscal Years 2021 and 2022, the Department reported collecting FOID application and renewal applications fees totaling \$5,205,150 and 2,843,585, respectively.

During testing of Concealed Carry applications, we noted:

**60% of Concealed Carry applications not timely processed**

- Eighteen of 30 (60%) Concealed Carry applications were not processed timely, with delays ranging from two to 453 days late.
- The Department could not provide documentation to demonstrate the Concealed Carry application fees were deposited in accordance with the Firearm Concealed Carry Act. During Fiscal Years 2021 and 2022, the Department reported collecting Concealed Carry application and renewal applications fees totaling \$22,516,177 and 15,763,178, respectively. (Finding 9, pages 36-38)

We recommended the Department allocate the necessary resources to process applications in a timely manner and ensure documentation fees are deposited in accordance with the Acts.

**Department agreed**

The Department concurred with this finding and stated significant resources have been devoted to reducing the application backlog by hiring 32 Firearm Eligibility Analysts and 31 contractual employees during the examination period and streamlining the FOID application process for applicants. In addition, Department management stated it will seek a legislative change to address these circumstances. Lastly, Department management stated it has incorporated an automated process and worked with the Treasurer's Office to utilize their platform to track deposits and will continue

working to better document the process from fee receipt to deposit to ensure fees received match fees deposited.

## **OTHER FINDINGS**

The remaining findings pertain to accounts receivable, receipts, voucher processing, reconciliations, interagency agreements, noncompliance with statutes, general Information Technology controls, vehicles, reporting, attendance records, Internal Audit, performance evaluations, payroll files, cell phones, census data, liability insurance certification, locally held funds, and contracts. We will review the Department'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 Illinois State Police State for the two years ended June 30, 2022 as required by the Act and the Illinois State Auditing Act. Because of the effect of noncompliance described in findings 2022-001 through 2022-039, the accountants stated the Department did not materially comply with the requirements described in the report.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

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

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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