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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

REPORT DIGEST

**DEPARTMENT OF STATE POLICE
FINANCIAL AND COMPLIANCE AUDIT**

**(In accordance with the Single Audit Act of 1984 and OMB Circular A-128)
FOR THE TWO YEARS ENDED JUNE 30, 1994**

SYNOPSIS

- The Department of State Police did not recover the cost of providing services to certain other State agencies.
- The Department did not have written criteria for the appointment of inspectors and did not ensure that inspectors complied with ongoing proficiency requirements. Inspectors have full police powers and are entitled to participate in the alternative retirement system which is normally for employees with high risk positions. Current inspectors include several civilian employees of the Department with administrative responsibilities.
- The Department did not have adequate controls at weigh stations for verifying or handling overweight truck fines.
- The Department did not have adequate control over its local area computer networks (LANs).
- The Department did not have adequate procedures to ensure the annual physical inventory was properly counted. Also, duties for employees with inventory responsibilities were not segregated from their duties in purchasing, receiving, and recordkeeping.
- The Department did not have adequate procedures to track crime laboratory analysis fees to ensure that all fees owed were remitted by Circuit Clerks.

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

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RECYCLED PAPER · SOYBEAN INKS

DEPARTMENT OF STATE POLICE
FINANCIAL AND COMPLIANCE AUDIT
For The Two Years Ended June 30, 1994

EXPENDITURE STATISTICS	FY 1994	FY 1993	FY 1992
● Total Expenditures (All Funds)	\$204,771,756	\$188,470,562	\$184,707,589
<u>OPERATIONS TOTAL</u>	\$194,272,673	\$187,375,699	\$183,588,760
% of Total Expenditures	95%	99%	99%
Personal Services	\$120,055,479	\$123,662,964	\$127,252,008
% of Operations Expenditures	62%	66%	69%
Average No. of Employees	3,141	3,190	3,358
Other Payroll Costs (FICA, Retirement)	\$22,793,091	\$14,062,922	\$10,926,470
% of Operations Expenditures	12%	8%	6%
Contractual Services	\$11,933,325	\$11,892,328	\$10,851,519
% of Operations Expenditures	6%	6%	6%
All Other Operations Items	\$39,490,778	\$37,757,485	\$34,558,763
% of Operations Expenditures	20%	20%	19%
<u>GRANTS, REFUNDS, IMPROVEMENTS, TOTAL</u>	\$10,499,083	\$1,094,863	\$1,118,829
% of Total Expenditures	5%	1%	1%
● Cost of Property and Equipment	\$143,879,976	\$124,007,158	\$117,836,015

SELECTED ACTIVITY MEASURES	FY 1994	FY 1993	FY 1992
● Sworn Officers	1,762	1,870	2,013
● IL Vehicle Code Citations	334,400*	368,588	382,506
● Motorist Assists	117,250*	129,814	99,163
● Arrests	20,842*	22,916	26,364
● Cases Opened	8,800*	8,236	8,352
● Convictions	4,500*	5,784	7,004

* Estimated for FY 1994

AGENCY DIRECTOR(S)
During Audit Period: Terrance Gainer Currently: Terrance Gainer

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INADEQUATE RECOVERY OF COSTS FOR SERVICES

The Department of State Police is not recovering the cost of providing ongoing security services to the Governor, Secretary of State, Comptroller, and Attorney General. Illinois statutes state that, "All services provided by the Department shall be conducted pursuant to contracts in accordance with the Intergovernmental Cooperation Act..." The Department is not expressly authorized in statute to provide such services without a contract and without reimbursement.

Also, the Department incurred costs of \$17,797 in excess of the \$4.75 million expenditure authority authorized in an intergovernmental agreement with the Illinois Gaming Board to provide riverboat security and investigations. The excess costs were paid from General Revenue sources instead of the State Police Services Fund. The Gaming Board subsequently reimbursed the Department the \$17,797.

We recommended the Department reimburse the General Revenue Fund and either seek to amend the laws governing provision of services to other agencies or enter into intergovernmental agreements and charge for such services.
(Finding 1, page 9)

The Department agreed to reimburse the General Revenue Fund for \$17,797. In regard to agreements, the Department responded that it believed the absence of specific statutory authority did not necessarily obligate them to charge for services.

LACK OF INSPECTOR APPOINTMENT CRITERIA AND TRAINING OVERSIGHT

The Department of State Police did not have written criteria establishing the qualifications and experience requirements for appointment of inspectors or for the termination of "inspector" status. The Department also did not ensure inspectors complied with ongoing training requirements.

The Director has the authority to appoint inspectors. This authority was originally conferred to enable local law enforcement officers to participate in multi-jurisdictional drug task forces (there are currently over 300 such inspectors). The appointment of inspectors has been expanded to include civilian employees of the Department of State Police (37) as well as a total of 32 from other entities, local governments, and State agencies. Within the Department, civilian inspectors include personnel with law enforcement backgrounds as well as some holding positions of senior management and Senior Public Service Administrator (SPSA) who generally perform administrative duties within the Department.

Inspectors possess full police powers, including the right to carry firearms and make arrests. They have the power of sworn officers, but are not subject to Merit Board processes such as written entrance examinations, suitability evaluations, and interviews as are sworn

officers. The job functions of management personnel and SPSA inspectors within the Department are not changed by appointment to inspector. The primary effect on these senior management and SPSA inspectors, other than the right to act in the capacity of police officer, is to participate in the Alternative Retirement Annuity of the State Employees Retirement System. (Normally, this retirement system is for employees holding positions of high risk.)

Of seven Department inspectors selected for testing, five had not completed all required qualification shoots, and thus could be subject to disciplinary action or relieved of duty.

We recommended the Department develop written criteria for the appointment and ongoing need for inspectors and that procedures be developed to ensure inspectors complied with ongoing proficiency requirements. (Finding 3, page 12)

The Department responded that the program had been reviewed and criteria formalized and that appointments and proficiency levels will be reviewed annually.

INADEQUATE CONTROL OVER TRUCK WEIGH SCALES AND FINES

The Department did not have adequate internal controls over truck weigh scale operations or over receipts for overweight truck fines.

Truck weigh stations are staffed by Illinois Department of Transportation Truck Weigh Inspectors (TWIs), but TWI headcount is not adequate to provide for two TWIs to be on duty at the same time without a reduction in total hours the scales are open. Two TWIs are needed to segregate duties to provide reasonable assurances that cash collected is adequately safeguarded.

Another safeguard would be to have scale facilities that automatically printed tickets for all trucks weighed. This would provide some assurance that all overweight trucks were ticketed.

We recommended that the Department increase TWI headcount or upgrade equipment to provide automatic weigh scales. (Finding 5, page 17)

The Department concurred subject to agency limitations, stating that since additional funds were not available and staffing with two TWIs would reduce scale operating hours, State Police personnel would closely monitor controls at scales.

INADEQUATE CONTROL OVER LOCAL AREA COMPUTER NETWORKS (LANs)

The Department did not have formal policies and procedures for coordinating and monitoring Local Area Computer Networks (LANs). The Department has LANs throughout the State. All of the LANs have the capability to access the Department's mainframe computer in the Armory. We found the following control deficiencies: lack of standards for LAN security controls; software security features were not activated; users were allowed to log onto the network at more than one workstation at a time; and backup tapes were not stored offsite.

We recommended the Department establish policies and procedures to ensure LANs are adequately and consistently controlled throughout the Department, and we recommended nine specific control procedures. (Finding 8, page 23).

The Department generally concurred with our recommendation and included individual responses to the nine specified procedures.

INADEQUATE CONTROL OVER INVENTORIES

The Department does not have adequate procedures to ensure all inventory items, such as uniforms, belts, holsters, munitions, radio equipment, and automotive supplies are properly counted. Also, personnel responsible for inventory recordkeeping and custody of property were involved in annual inventory counts and, at most locations, employees responsible for commodities were also responsible for ordering, receiving, and issuing commodities. At June 30, 1994, the inventory value was approximately \$3,968,000.

We recommended the Department establish adequate control over the annual physical inventory and provide for proper segregation of duties on an on-going basis. (Finding 10, page 28)

The Department concurred with this recommendation and has begun implementing changes.

INADEQUATE TRACKING OF CRIME LABORATORY ANALYSIS FEES

The Department did not have adequate procedures to track fees generated by crime laboratory analysis services to ensure all fees owed were remitted on a timely basis.

State law imposes a criminal analysis laboratory service fee on persons adjudged guilty of certain offenses. The fee is to be collected by the clerk of the court and remitted to the Department. Fee revenue for Fiscal Years 1993 and 1994 was \$118,032 and \$139,989, respectively.

We recommended that the Department establish a process to track laboratory analysis reports through the court system to ensure all fees are being remitted or develop procedures to monitor and review clerk of the court records to determine compliance. (Finding 11, page 30)

The Department concurred in part but indicated that, in their opinion, the burden of monitoring the process would not be cost effective and that the Department had no statutory authority to audit the courts with reference to the crime lab analysis fee. The Department recommended that the Auditor General review this issue on a statewide basis encompassing all state agencies and funds due the state from the circuit clerks.

Auditor's Note: The Auditor General issued a report covering Circuit Clerk remittances to 10 State agencies, including State Police, in March, 1994. The report recommended that

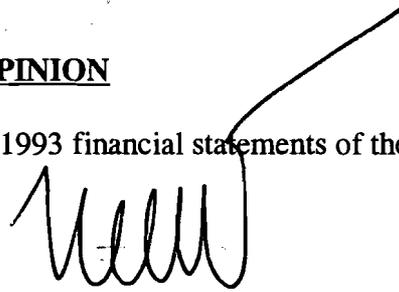
State agencies monitor collections by various means, including doing on-site reviews. Although the Department of State Police did not provide responses to the report, the Agencies that did respond, including the Office of the Attorney General, the Departments of Conservation and Public Aid, and the State Board of Education, agreed with and accepted this recommendation.

OTHER FINDINGS

Other compliance findings contained in this report are less significant. We will review progress toward implementation of our recommendations during our next audit.

AUDITOR'S OPINION

Our auditors state that the June 30, 1994 and 1993 financial statements of the Department are fairly presented.



WILLIAM G. HOLLAND, Auditor General

WGH:KMC:jr
May 4, 1995

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit Findings	13	18
Repeated Audit Findings	8	6
Prior Recommendations Implemented or Not Repeated	10	9

SPECIAL ASSISTANT AUDITORS

Sikich Gardner & Co, LLP were our special assistant auditors for this audit.