



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**ILLINOIS STATE POLICE**  
Statewide 9-1-1 Fund and Wireless Carrier Reimbursement Fund

Limited Scope Compliance Examination  
 For the Two Years Ended June 30, 202

Release Date: April 13, 2023

| FINDINGS THIS AUDIT: 2 | AGING SCHEDULE OF REPEATED FINDINGS |          |          |                |            |            |            |
|------------------------|-------------------------------------|----------|----------|----------------|------------|------------|------------|
|                        | New                                 | Repeat   | Total    | Repeated Since | Category 1 | Category 2 | Category 3 |
| Category 1:            | 1                                   | 1        | 2        | 2016           | 22-01      |            |            |
| Category 2:            | 0                                   | 0        | 0        |                |            |            |            |
| Category 3:            | 0                                   | 0        | 0        |                |            |            |            |
| <b>TOTAL</b>           | <b>1</b>                            | <b>1</b> | <b>2</b> |                |            |            |            |
| FINDINGS LAST AUDIT: 2 |                                     |          |          |                |            |            |            |

**INTRODUCTION**

The Illinois State Police (Department) solely maintains the Statewide 9-1-1 Fund and the Department and the Illinois Commerce Commission (Commission) each have distinct responsibilities over transactions recorded within the Wireless Carrier Reimbursement Fund (Fund). Both of these funds must have a fund-level examination by the Auditor General every two years under the Emergency Telephone System Act (Act) (50 ILCS 750/50). This digest is limited to the responsibilities of the Department pursuant to State law. A separate digest concerning the Commission’s responsibilities was separately released.

**SYNOPSIS**

- (22-01) The Department did not maintain adequate internal controls over receipts and reconciliations.
- (22-02) The Department’s internal controls over its voucher processing function were not operating effectively during the examination period.

**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**

**INADEQUATE CONTROLS OVER RECEIPTS AND  
RECONCILIATIONS**

The Illinois State Police (Department) did not maintain adequate internal controls over receipts and reconciliations.

Controls over cash receipts

During testing, we requested the Department provide the population of cash receipts received by the Department during Fiscal Years 2021 and 2022 for the Statewide 9-1-1 Fund (Fund 612) and the Wireless Carrier Reimbursement Fund (Fund 613) in order to test compliance applicable to those receipts. In response to our request, the Department provided a listing of cash receipts. We noted the Department's population of cash receipts did not agree to the documentation in the Department's Revenue Status Report (SB04) reconciliations for Fiscal Year 2021 or Fiscal Year 2022.

**Receipts records did not agree with the receipts reconciliations**

Due to these conditions, we were unable to conclude 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) to test the Department's compliance relative to cash receipts.

**Inadequate segregation of duties**

Additionally, we noted the Department did not maintain proper segregation of custody and recordkeeping duties over receipt collection and processing. One employee was responsible for:

- Preparing a log of receipts received;
- Recording receipts in the receipts ledger; and
- Depositing funds into the State Treasury.

Controls over reconciliations

During testing of Fiscal Year 2022 and 2021 reconciliations between the Comptroller's records and the Department's records for Fund 612 and Fund 613, we noted the following:

**Reconciliation errors**

- Monthly SB04 reconciliations for Fiscal Year ended June 30, 2021 contained unexplained reconciliation discrepancies totaling a net amount of \$276,827 for Fund 612.
- SB04 reconciliations for Fiscal Year 2021 were not reconciled by receipt account; whereby each Fund was reconciled in total.

- Monthly Appropriation Status Report (SB01) and the Object Expense/Expenditure by Quarter Report (SA02) final lapse period reconciliations for the Fiscal Year Ended June 30, 2021 contained an unexplained and uncorrected reconciling difference between the Comptroller's records and the Department's records. The total discrepancy, which was not recorded on the Department's records at September 30, 2021, totaled \$3,350.
- Five of 29 (17%) monthly SB01 and SA02 reconciliations were not performed within 60 days following the end of the month. The SB01 and SA02 reconciliations were completed 1 to 446 days
- Three of 29 (10%) monthly SB01 and SA02 reconciliations did not have documentation retained to indicate the date prepared and supervisor review of the reconciliation.
- The June 30, 2022 and 2021 Monthly Cash Report (SB05) monthly reconciliation for Fund 612 identified unknown reconciling differences and cash receipts not recorded on the Department's records totaling \$577,905 and \$3,102,757, respectively.
- Seven of 24 (29%) SB05 reconciliations were not performed within 60 days following the end of the month. The SB05 reconciliations were completed 1 to 82 days late.
- Four of 24 (17%) SB05 reconciliations were not reviewed by a supervisor or an independent person. In addition, one of four (25%) SB05 reconciliations did not indicate when the reconciliation was prepared. (Finding 1, pages 12-14) **This finding was first reported in 2016.**

We recommended the Department establish and document proper segregation of duties over the receipts process, establish internal control to ensure receipts and expenditures are properly reconciled and records are timely corrected, and accurate documentation is maintained to support receipt activities and related reviews performed.

**Department agreed**

Department management concurred with the finding and stated they had made progress in the timeliness of the reconciliations between Fiscal Years 2021 and Fiscal Years 2022; however, turnover and system errors remained a barrier. Additionally, the Department is developing a plan to provide additional support for reconciliations and will continue to work with the Department of Innovation and Technology to address errors in the reports produced by the financial system.

## **VOUCHER PROCESSING INTERNAL CONTROL NOT OPERATING EFFECTIVELY**

### **Internal controls not operating effectively**

The Department's internal controls over its voucher processing function were not operating effectively during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning System (ERP) operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Department to determine whether certain key attributes were properly entered by the Department's staff into the ERP. In order to determine the operating effectiveness of the Department's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's ERP System based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

### **Attributes not properly entered into ERP System**

Our testing noted nine of 140 (6%) attributes were not properly entered into the ERP System. Therefore, the Department's internal controls over voucher processing **were not operating effectively**.

### **Accountants qualified opinion**

Due to this condition, we qualified our opinion because we determined the Department had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

### **Vouchers not timely approved**

Even give the limitations noted above, we conducted an analysis of the Department's expenditures data for fiscal years 2021 and 2022 to determine compliance with the Illinois Administrative Code (74 Ill. Admin. Code 900.70). We noted the following noncompliance:

- The Department did not timely approve 1,138 of 10,471 (11%) vouchers processed during the examination period, totaling \$31,599,738. We noted these late vouchers were approved between 1 and 322 days late. (Finding 2, pages 15-16)

We recommended the Department design and maintain internal controls to provide assurance its data entry of key attributes into ERP is complete and accurate. Further, we recommended the Department approve proper bills within 30 days of receipt.

### **Department agreed**

The Department concurred with the finding and stated the Department is implementing a process change to ensure the correct invoice date is entered.

**ACCOUNTANT’S OPINION**

The accountants conducted a limited scope compliance examination of the Department’s transactions within the Statewide 9-1-1 fund and the Wireless Carrier Reimbursement Fund for the two years ended June 30, 2022, as required by the Act and the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2022-001 and 2022-002. Except for the noncompliance described in the findings, the accountants stated the Department complied, in all material respects, with the requirements described in the report.

This limited scope compliance examination was conducted by West & Company, LLC.

**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.

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FRANK J. MAUTINO  
Auditor General

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