

**STATE OF ILLINOIS  
ILLINOIS STATE POLICE MERIT BOARD  
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2004

STATE OF ILLINOIS  
ILLINOIS STATE POLICE MERIT BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2004

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**AGENCY OFFICIALS**

**ILLINOIS STATE POLICE MERIT BOARD**

Executive Director

Mr. James Seiber

Fiscal Officer

Ms. Melinda Gutierrez

Agency office is located at:

3180 Adloff Lane, Suite 100  
Springfield, Illinois 62703



# ILLINOIS STATE POLICE

*Merit Board*

3180 Adloff Lane, Suite 100  
Springfield, Illinois 62703

Office # (217) 786-6240  
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## STATE COMPLIANCE EXAMINATION

## MANAGEMENT ASSERTION LETTER

September 28, 2004

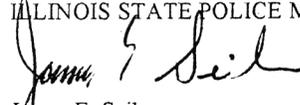
Honorable William G. Holland  
Auditor General  
State of Illinois  
Hes Park Plaza  
740 East Ash  
Springfield, IL 62703-3154

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2004. Based on this evaluation, we assert that during the years ended June 30, 2004 and June 30, 2003, the Agency has materially complied with the assertions below.

- A. The agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The agency has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the agency are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Sincerely,

ILLINOIS STATE POLICE MERIT BOARD

  
James E. Seiber,  
EXECUTIVE DIRECTOR

  
Melinda G. Gutierrez,  
Chief Fiscal Officer

JES:mgg

cc: file

## **COMPLIANCE REPORT**

### **SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

### **AUDITORS' REPORTS**

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

### **SUMMARY OF FINDINGS**

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	2	1
Repeated findings	0	0
Prior recommendations implemented or not repeated	1	3

Details of findings are presented in a separately tabbed report section.

### **SUMMARY OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
04-1	8	Inadequate controls over contractual service expenditures
04-2	9	Untimely Filing of Reports
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
04-3	11	Expenditure charged to incorrect State appropriations

### **EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on November 17, 2004. Attending were:

State Police Merit Board

Jim Seiber

Melinda Gutierrez

Director

Chief Fiscal Officer

Office of the Auditor General

Jane Clark

Peggy Hartson

Audit Manager

Audit Supervisor

Responses to the recommendations were provided by Ms. Melinda Gutierrez in a letter dated December 6, 2004.

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OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We have examined the Illinois State Police Merit Board's compliance with the requirements listed below, as more fully described in the Audit Guide as adopted by the Auditor General for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide), during the two years ended June 30, 2004. The management of the Illinois State Police Merit Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois State Police Merit Board's compliance based on our examination.

- A. The Illinois State Police Merit Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Illinois State Police Merit Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Illinois State Police Merit Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Illinois State Police Merit Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Illinois State Police Merit Board on behalf of the State or held in trust by the Illinois State Police Merit Board have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Illinois State Police Merit Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Illinois State Police Merit Board's compliance with specified requirements.

In our opinion, the Illinois State Police Merit Board complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2004. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 04-1 and 04-2.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter.

### **Internal Control**

The management of the Illinois State Police Merit Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the Illinois State Police Merit Board's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control which are required to be reported in accordance with criteria established by the *Audit Guide* issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as finding 04-1 and 04-2.

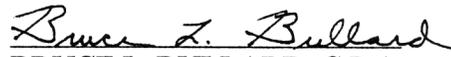
As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter.

## Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2004 and 2003 Supplementary Information for State Compliance Purposes, except for information on the Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2002 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.

  
BRUCE L. BULLARD, C.P.A.  
Compliance Audit Director

September 28, 2004

04-1. **FINDING** (Inadequate controls over contractual service expenditures)

The State Police Merit Board (Board) did not have adequate controls over its contractual service expenditures. The Board expended \$28,303 and \$50,996 during FY03 and FY04, respectively, to a single vendor for professional legal services without a contractual agreement.

The Illinois Procurement Code (Code) (30 ILCS 500/20-80) requires State agencies to reduce to writing contractual liabilities for professional and artistic services involving expenditures of more than \$5,000 during the fiscal year for the same type of service prior to the beginning of the services and file them with the State Comptroller's Office.

Board personnel stated that they were aware of the requirement to file contracts for professional services over \$5,000. However, they did not know at the beginning of each year the amount that would be expended.

Failure to approve and reduce to writing contractual agreements prior to the performance of services may result in loss of State funds and may subject the State to unnecessary legal risks. (Finding Code No. 04-1)

**RECOMMENDATION**

We recommend the Board strengthen controls to ensure contractual agreements are approved prior to the execution of the contract and that the contracts are reduced to writing and filed with the State Comptroller's Office.

**BOARD RESPONSE**

The individual vendor cited in the finding was appointed Special Attorney General to represent the ISPMB for two cases. These are unique cases for the ISPMB and as such the costs involved were anticipated to be minimal. An unexpected turn of events caused the expenses to exceed the limitations. Such was not detected by the CFO/SPO until billings were submitted for processing in late May 2004. In the future when another such case arises ISPMB's CFO/SPO will execute a contract and file it with the State Comptroller's Office prior to work being performed.

04-2. **FINDING** (Untimely Filing of Reports)

The State Police Merit Board (Board) did not timely file its administrative reports as required. We noted the following:

- Three of eight (38%) Agency Reports of State Property (C-15s) were filed between 3 and 29 days late. The Statewide Accounting Management System (SAMS) (Procedure 29.20.10) requires the C-15s to be filed on a quarterly basis and submitted to the Comptroller no later than the last day of the month following the last day of the quarter. Late submission of the C-15s does not provide the Comptroller's office with current information on a timely basis. Board personnel stated that reports were filed late because employees were working on other responsibilities including finalizing the annual inventory.
- The FY04 Fiscal Control and Internal Auditing Act (FCIAA) certification was filed 38 days late. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3003) requires the chief executive officer of each State agency to conduct an evaluation of their systems of internal fiscal and administrative controls and file a certification regarding the evaluation with the Auditor General by May 1 of each year. An evaluation of internal controls is necessary to determine whether existing measures are adequate to prevent or detect the occurrence of potential risks in a cost effective manner. Board personnel stated the FCIAA was filed late because they thought the Office of Internal Audits would be responsible for preparing the FCIAA in FY04.
- The Agency Fee Imposition Reports for FY03 and FY04 were filed 5 and 51 days late. In addition, the Board failed to report copy fees collected totaling \$310 in FY03 and \$4 in FY04. SAMS (Procedure 33.16.20) requires each State agency to file a Fee Imposition Report with the Comptroller's Office by August 1<sup>st</sup> of each year. Information regarding the fees assessed by the agency is essential for the Comptroller's Office to compile and submit an annual report to the General Assembly. Board personnel stated the reports were filed late due to information requests from the Governor's office and assessment procedures. In addition, they were unaware that copy fees should be reported.
- The Petty Cash Usage Reports (Reports) for FY03 and FY04 were filed 18 and 89 days late. The Statewide Accounting Management System (SAMS) (Procedure 09.10.40) requires the Reports to be filed by January 31 for the preceding calendar year. Failure to submit the Reports by the due date does not provide the Comptroller's office with current information on a timely basis. Board personnel stated the reports were filed late because employees were processing information requests from the Office of Management and Budget and the Governor's office during FY03, and they were working on the emergency purchase in FY04. (Finding Code No. 04-2)

**RECOMMENDATION**

We recommend the Board ensure all required reports be filed with the appropriate parties on a timely basis.

**BOARD RESPONSE:**

Due to the unique size of the Agency, 5 employees, and the multiple administrative duties assigned to each person responsible for the untimely filing of reports some responses are inevitable to be delayed due to prioritizing job assignments. The following is the ISPMB's response to each.

#1 Three of eight Reports:

Report due 04/30/03, submitted 05/29/03, CFO deeply involved in budget negotiations and request for information on various aspects of the Agency.

Report due 04/30/04, submitted 05/03/04 – 3 days late, 1<sup>st</sup> working day of the following month.

Report due 07/31/04, submitted 08/03/04 – 3 days late, 2<sup>nd</sup> working day of the following month.

#2 Henceforth the CFO will submit FCIAA in a timely manner.

#3 Henceforth the CFO will submit Agency Fee Imposition Report in a timely basis.

#4 Henceforth the CFO will submit Petty Cash Usage Reports in a timely basis.

**PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)**

04-3. **FINDING** (Expenditure charged to incorrect State appropriation)

During the prior period, the Board charged expenditures for an automobile installment purchase to an appropriation which was intended for other purposes.

During the current period, the final payment for the automobile was made appropriately from the equipment appropriation. (Finding Code 02-1)

## **SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

### **SUMMARY**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Receipts
- Analysis of Significant Lapse Period Spending

- Analysis of Operations:

- Agency Functions and Planning Program
- Average Number of Employees
- Emergency Purchases
- Service Efforts and Accomplishments

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2004 and 2003 Supplementary Information for State Compliances Purposes, except for information on the Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information.

STATE OF ILLINOIS  
ILLINOIS STATE POLICE MERIT BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Fiscal Year Ended June 30, 2004

P.A. 93-65	Appropriations		Lapse Period	Total	
FISCAL YEAR 2004	(Net of Transfers)	Expenditures Through June 30	Expenditures July 1 to August 31	Expenditures 14 Months Ended August 31	Balances Lapsed August 31
General Revenue Fund - 001					
Personal Services	\$ 344,900	\$ 302,238	\$ 13,117	\$ 315,355	\$ 29,545
Employee Retirement					
Contributions Paid by Employer	13,800	0	0	0	13,800
State Contribution to State					
Employees' Retirement System	46,400	28,385	0	28,385	18,015
State Contributions to Social Security	27,700	23,701	0	23,701	3,999
Contractual Services	437,190	317,833	115,021	432,854	4,336
Travel	13,525	8,712	4,811	13,523	2
Commodities	8,000	4,259	932	5,191	2,809
Printing	6,000	4,599	393	4,992	1,008
Equipment	8,110	8,109	0	8,109	1
Electronic Data Processing	9,850	4,025	5,602	9,627	223
Telecommunications	12,400	10,295	2,105	12,400	0
Operation of Automotive Equipment	2,525	1,455	444	1,899	626
 Total Fiscal Year 2004	 <u>\$ 930,400</u>	 <u>\$ 713,611</u>	 <u>\$ 142,425</u>	 <u>\$ 856,036</u>	 <u>\$ 74,364</u>

Note: Appropriations, expenditures, and lapsed balances were obtained from Agency records and have been reconciled to records of the State Comptroller.

STATE OF ILLINOIS  
ILLINOIS STATE POLICE MERIT BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Fiscal Year Ended June 30, 2003

P.A. 92-0538	Appropriations		Lapse Period	Total	
FISCAL YEAR 2003	(Net of Transfers)	Expenditures Through June 30	Expenditures July 1 to August 31	Expenditures 14 Months Ended August 31	Balances Lapsed August 31
General Revenue Fund - 001					
Personal Services	\$ 330,800	\$ 317,405	\$ 13,116	\$ 330,521	\$ 279
Employee Retirement					
Contributions Paid by Employer	13,200	12,398	526	12,924	276
State Contribution to State					
Employees' Retirement System	35,100	32,843	1,355	34,198	902
State Contributions to Social Security	27,100	23,871	981	24,852	2,248
Contractual Services	347,400	243,718	31,387	275,105	72,295
Travel	11,500	7,246	2,651	9,897	1,603
Commodities	8,000	4,513	3,346	7,859	141
Printing	6,000	5,895	0	5,895	105
Equipment	4,900	0	2,923	2,923	1,977
Electronic Data Processing	20,000	5,314	1,394	6,708	13,292
Telecommunications	12,000	10,330	921	11,251	749
Operation of Automotive Equipment	3,200	2,639	465	3,104	96
	<u>3,200</u>	<u>2,639</u>	<u>465</u>	<u>3,104</u>	<u>96</u>
Total Fiscal Year 2003	<u>\$ 819,200</u>	<u>\$ 666,172</u>	<u>\$ 59,065</u>	<u>\$ 725,237</u>	<u>\$ 93,963</u>

Note: Appropriations, expenditures, and lapsed balances were obtained from Agency records and have been reconciled to records of the State Comptroller.

STATE OF ILLINOIS  
ILLINOIS STATE POLICE MERIT BOARD  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	Fiscal Year		
	2004	2003	2002
General Revenue Fund - 001	P.A. 93-65	P.A. 92-0538	P.A. 92-0008
<hr/>			
Appropriations (Net of Transfers)	\$ 930,400	\$ 819,200	\$ 881,000
<hr/>			
<u>Expenditures</u>			
Personal Services	\$ 315,355	\$ 330,521	\$ 320,972
Employee Retirement			
Contributions Paid by Employer	0	12,924	12,878
State Contribution to State			
Employees' Retirement System	28,385	34,198	32,321
State Contributions to Social Security	23,701	24,852	24,601
Contractual Services	432,854	275,105	397,090
Travel	13,523	9,897	9,114
Commodities	5,191	7,859	7,925
Printing	4,992	5,895	5,822
Equipment	8,109	2,923	0
Electronic Data Processing	9,627	6,708	7,749
Telecommunications	12,400	11,251	11,165
Operation of Automotive Equipment	1,899	3,104	4,625
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 856,036	\$ 725,237	\$ 834,262
	<hr/>	<hr/>	<hr/>
Lapsed Balances	\$ 74,364	\$ 93,963	\$ 46,738
	<hr/>	<hr/>	<hr/>
Appropriation to Comptroller's Office for Merit Board Member's Salaries	\$ 101,000	\$ 99,400	\$ 99,400
	<hr/>	<hr/>	<hr/>
Board Member Salaries	81,812	84,456	94,366
	<hr/>	<hr/>	<hr/>
Lapsed Balances	\$ 19,188	\$ 14,944	\$ 5,034
	<hr/>	<hr/>	<hr/>

Note: The Board did not make any efficiency initiative payments during FY04.

STATE OF ILLINOIS  
ILLINOIS STATE POLICE MERIT BOARD  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2004

	Equipment
Balance at July 1, 2002	\$ 236,208
Additions	510
Deletions	0
Net Transfers	0
Balance at June 30, 2003	\$ 236,718
Balance at July 1, 2003	\$ 236,718
Additions	3,118
Deletions	385
Net Transfers	0
Balance at June 30, 2004	\$ 239,451

Note: The above schedule has been derived from Agency records which have been reconciled to property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS  
ILLINOIS STATE POLICE MERIT BOARD  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS**  
For the Fiscal Year Ended June 30,

General Revenue Fund-001	<u>2004</u>	<u>2003</u>	<u>2002</u>
Telephone Usage/Pager Usage	464	37	42
Copy Fees	4	310	0
Miscellaneous	<u>0</u>	<u>116</u>	<u>0</u>
Total Receipts	<u>\$ 468</u>	<u>\$ 463</u>	<u>\$ 42</u>

**RECONCILIATION OF CASH RECEIPTS  
TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
For the Fiscal Year Ended June 30,

General Revenue Fund-001	<u>2004</u>	<u>2003</u>	<u>2002</u>
Receipts per Board Records	\$ 468	\$ 463	\$ 42
Add: Deposits in Transit, Beginning of Year	20	0	10
Less: Deposits in Transit, End of Year	<u>220</u>	<u>20</u>	<u>0</u>
Deposits Recorded by the Comptroller	<u>\$ 268</u>	<u>\$ 443</u>	<u>\$ 52</u>

STATE OF ILLINOIS  
ILLINOIS STATE POLICE MERIT BOARD  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Years Ended June 30, 2003 and 2004

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL  
YEARS 2003 AND 2004**

RETIREMENT CONTRIBUTIONS PAID BY EMPLOYER

The decrease in retirement contributions paid by the employer was due to employees being required to pay their retirement contributions beginning in FY04.

CONTRACTUAL SERVICES

The increase in contractual services expenditures was due to payments for legal services, suitability examinations for potential cadet candidates and promotional testing performed during FY04.

TRAVEL

The increase in travel expenditures resulted from the executive director traveling out of State to attend seminar meetings on recruiting in FY04.

COMMODITIES

The decrease in commodities expenditures was due to shirts and accessories purchased for promotional testing assessors and staff during FY03. This did not occur in FY04.

EQUIPMENT

The increase in equipment expenditures was due to the final installment payment for the Board's Chevrolet Blazer.

ELECTRONIC DATA PROCESSING

The increase in EDP expenditures resulted from the purchase of six computers and computer hardware in FY04.

OPERATION OF AUTOMOTIVE

The decrease in operation of automotive expenditures resulted from fewer repair and maintenance expenses for the Board's vehicles.

STATE OF ILLINOIS  
ILLINOIS STATE POLICE MERIT BOARD  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Years Ended June 30, 2003 and 2004

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL  
YEARS 2002 AND 2003**

CONTRACTUAL SERVICES

The decrease in contractual services expenditures resulted from fewer suitability examinations for potential cadet candidates during FY03.

EQUIPMENT

The increase in equipment purchases was due to the purchase of a bench press and testing mats for training classes.

OPERATION OF AUTOMOTIVE EQUIPMENT

The decrease in the operation of automotive equipment was due to large maintenance and repair expenses on the Board's 1995 Ford Astrovan in FY02.

STATE OF ILLINOIS  
ILLINOIS STATE POLICE MERIT BOARD  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Years Ended June 30, 2003 and 2004

**ANALYSIS OF SIGNIFICANT VARIATION IN RECEIPTS**

A comparative schedule of the Board's cash receipts is shown in the Supplementary Information section of this report. An increase in total receipts is attributable to an increase in the number of requests for copies made by an independent writer in FY03 and an increase in reimbursements from employees for personal use of the Board's cell phones and pagers in FY04.

STATE OF ILLINOIS  
ILLINOIS STATE POLICE MERIT BOARD  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Years Ended June 30, 2003 and 2004

**FISCAL YEAR 2004**

CONTRACTUAL SERVICES

Invoices for administration of cadet classes and legal services performed during the fiscal year were not received and paid until the lapse period.

TRAVEL

Invoices for travel for applicant testing and recruitment events were not received and paid until the lapse period.

ELECTRONIC DATA PROCESSING

The Board purchased new computers and hardware during the fiscal year that were not received and paid until the lapse period.

OPERATION OF AUTOMOTIVE

Invoices for gasoline purchased in May and June for employee travel to cadet classes were not received and paid until the lapse period.

**FISCAL YEAR 2003**

TRAVEL

Invoices for out of State travel for testing late in the fiscal year were not received and paid until the lapse period.

COMMODITIES

The Board purchased shirts for promotional testing assessors and plaques for testing purposes that were not received and paid until the lapse period.

EQUIPMENT

Invoices for a bench press and mats for testing purposes were received late in the fiscal year and paid during the lapse period.

ELECTRONIC DATA PROCESSING

The Board purchased ink cartridges and zip disks during the fiscal year that were not received and paid until the lapse period.

STATE OF ILLINOIS  
ILLINOIS STATE POLICE MERIT BOARD  
ANALYSIS OF OPERATIONS

**AGENCY FUNCTIONS AND PLANNING PROGRAM**

Agency Functions

The Illinois State Police Merit Board (Board) was established in 1949 by the State Police Act (20 ILCS 2610/3), and was reorganized July 1, 1977 to consist of five members who are appointed by the Governor and approved by the Senate for six-year terms.

The Board operates to certify Illinois State Police Officers for appointment and promotion. The Board was also created to act as a hearing agency over issues related to discipline, removal, demotion, and suspension of Illinois State Police Officers.

The members of the Illinois State Police Merit Board as of June 30, 2004 were:

- John Rednour, Chairman
- Kenneth Schloemer, Secretary
- Richard D. Joutras
- Arthur S. Smith
- Niranjana Shah

Agency Planning Program

The Board has established a Strategic Plan to address the three functions of the State Police Merit Board: certification for appointment, promotion and discipline. The Board's Strategic Plan emphasizes higher standards in performing its three functions.

Analyses are performed regularly to uncover any adverse impacts presented by the tests, and to validate the exams ability to properly test candidates for appointment and promotion. Long range planning over disciplinary procedures aims to tighten the time frames from when a petition for appeal is received to the time the case is closed.

Auditors' Assessment

The Board appears to have maintained an adequate planning program and established procedures to manage its mandated and administrative duties.

STATE OF ILLINOIS  
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ANALYSIS OF OPERATIONS

**AVERAGE NUMBER OF EMPLOYEES AND BOARD MEMBERS**

The following table, prepared from Board records, presents the average number of employees and Board Members for the fiscal years ended June 30,

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Employees	5	6	6
Board Members	5	5	5

**EMERGENCY PURCHASES**

During the two years under examination, the Illinois State Police Merit Board made one emergency purchase:

<u>Date Filed</u>	<u>Description</u>	<u>Actual Amount Expended</u>
3/19/04	To conduct testing, background reviews, and interview applicants for the position of trooper in order to provide the Illinois Department of State Police with a certified applicant list for cadet classes commencing June 2004.	<u>\$104,750</u>
<b>Total Emergency Purchases</b>		<b><u><u>\$104,750</u></u></b>

STATE OF ILLINOIS  
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**SERVICE EFFORTS AND ACCOMPLISHMENTS**

The Board hears disciplinary cases against sworn officers brought by the Department of State Police. These cases can be initiated by complaints within the Department of State Police or from complaints by citizens to the Department of State Police. A three-year comparison of the status of cases brought before the Board follows:

	June 30,		
	2004	2003	2002
New Cases brought before the Board	14	10	19
Cases Remanded Back to Board by Court System for Additional Review	0	0	0
Cases settled without a hearing	9	7	5
Cases settled with a formal hearing	5	7	9
Cases pending at year end	10	10	14

The Board collects acceptable pre-employment cards during each fiscal year. Pre-employment cards collected in one fiscal year are used to select candidates for cadet training provided by the Department of State Police in the following fiscal year. Below is a comparison of the number of acceptable pre-employment cards, the number of applicants certified to each cadet class, and the number of graduating applicants certified to each cadet class conducted during the fiscal years 2004, 2003 and 2002.

	Fiscal Year		
	2004	2003	2002
Number of acceptable pre-employment cards received	2,351	2,242	1,695
Number of applicants certified to cadet class #102			
Graduating applicants certified to cadet class #102			46
Number of applicants certified to cadet class #103			
Graduating applicants certified to cadet class #103			32
Number of applicants certified to cadet class #104			30
Graduating applicants certified to cadet class #104			26
Number of applicants certified to cadet class #105			30
Graduating applicants certified to cadet class #105		26	

	Fiscal Year		
	2004	2003	2002
Number of applicants certified to cadet class #106			56
Graduating applicants certified to cadet class #106		42	
Number of applicants certified to cadet class #107		68	
Graduating applicants certified to cadet class #107	38		
Number of applicants certified to cadet class #108	41		
Graduating applicants certified to cadet class #108	*		
Number of applicants certified to cadet class #109	65		
Graduating applicants certified to cadet class #109	*		

\* Applicants certified to cadet classes #108 and #109 will not graduate until Fiscal Year 2005.