

State of Illinois Judicial Inquiry Board

STATE COMPLIANCE EXAMINATION

FOR THE TWO YEARS ENDED
JUNE 30, 2022

Performed as
Special Assistant Auditors
for the Auditor General,
State of Illinois

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

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**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

BOARD OFFICIALS

Executive Director and General Counsel (10/01/20 to Present)	Mr. Michael Deno, Esq.
Executive Director and General Counsel (until 09/30/20)	Ms. Kathy D. Twine, Esq.
Deputy Director (03/01/22 to Present)	Ms. Natosha Cuyler Toller
Administrative Assistant (07/01/20 to Present)	Ms. Sharmayne Adams

BOARD OFFICER

Chair of the Board	Mr. David P. Sterba
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BOARD MEMBERS

Circuit Court Judge	Honorable Judge Kent Delgado
Circuit Court Judge	Honorable Judge Paula Gomora
Lawyer	Mr. David P. Sterba
Lawyer	Mr. Sean Nash
Lawyer (12/28/22 to Present)	Mr. Jonathan S. Quinn
Lawyer (03/20/22 to 12/27/22)	Vacant
Lawyer (03/20/18 to 03/19/22)	Mr. Frank Castiglione
Non-Lawyer	Ms. Elaine Johnson
Non-Lawyer	Ms. Ruby Smith
Non-Lawyer (02/04/21 to Present)	Vacant
Non-Lawyer (10/08/19 to 02/03/21)	Ms. Pamela Davis
Non-Lawyer (03/09/22 to Present)	Ms. Megan Applegate
Non-Lawyer (05/20/19 to 03/08/22)	Vacant

BOARD OFFICE

The Judicial Inquiry Board's office is located at:

555 W. Monroe Street, Suite 800-N
Chicago, Illinois 60661

David P. Sterba
Chair
Honorable Paula A. Gomora
Vice Chair
Megan Applegate
Honorable Kent A. Delgado
Elaine B. Johnson
Sean Nash
Jonathan S. Quinn
Ruby Smith



Michael Deno
Executive Director &
General Counsel
100 West Randolph Street
Suite 14-500
Chicago, IL 60601-3233
PHONE (312)814-5554
(800)227-9429

STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
MANAGEMENT ASSERTION LETTER

FAX (312)814-5719
TTY (866) 451-5724

March 20, 2023

Roth & Co., LLP
815 W. Van Buren St., Suite 500
Chicago, Illinois 60607

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Judicial Inquiry Board (Board). 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 Board's compliance with the following specified requirements during the two-year period ended June 30, 2022. Based on this evaluation, we assert that during the years ended June 30, 2021 and June 30, 2022, the Board has materially complied with the specified requirements below.

- A. The 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 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. Other than what has been previously disclosed and reported in the Schedule of Findings, the 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. State revenues and receipts collected by the 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 Board on behalf of the State or held in trust by the Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

State of Illinois, Judicial Inquiry Board

SIGNED ORIGINAL ON FILE

SIGNED ORIGINAL ON FILE

Michael Deno
Executive Director and General Counsel

Sharmayne Adams
Administrative Assistant

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this 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*.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance and on Internal Control over Compliance does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	5	5
Repeated Findings	2	2
Prior Recommendations Implemented or Not Repeated	3	–

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2022-001	8	2020/2016	Inadequate Controls over Cash Collections	Significant Deficiency and Noncompliance
2022-002	9	2020/2020	Inadequate Controls over Contractual Services	Significant Deficiency and Noncompliance
2022-003	12	New	Weaknesses over Petty Cash Fund Reporting	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
2022-004	14	New	Voucher Processing Internal Controls Not Operating Effectively	Material Weakness and Material Noncompliance
2022-005	17	New	Failure to Fully Utilize the State's Enterprise Resource Planning System	Significant Deficiency and Noncompliance

Prior Findings Not Repeated

A	19	2020/2016	Inadequate Controls over Personal Services
B	19	2020/2020	Untimely Filing of FCIAA Certifications
C	19	2020/2020	Inadequate Controls over State Property Reporting

EXIT CONFERENCE

The Judicial Inquiry Board waived an exit conference in a correspondence from Michael Deno, Executive Director and General Counsel, on March 7, 2023. The responses to the recommendations were provided by Michael Deno, Executive Director and General Counsel, in a correspondence dated March 16, 2023.



INDEPENDENT ACCOUNTANT'S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board Members
State of Illinois, Judicial Inquiry Board

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Judicial Inquiry Board (Board) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2022. Management of the Board is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The 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 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 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. State revenues and receipts collected by the 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 Board on behalf of the State or held in trust by the 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*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Board complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Board complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Board's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirement applicable to the Board during the two years ended June 30, 2022.

Specified Requirement C

As described in the accompanying Schedule of Findings as item 2022-004, the Board had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirement described in the preceding paragraph, the Board complied with the specified requirements during the two years ended June 30, 2022, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2022-001; 2022-002; 2022-003; and 2022-005.

The Board's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Board's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing



our examination, we considered the Board’s internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Board’s compliance with the specified requirements and to test and report on the Board’s internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Board’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Board’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item 2022-004 to be a material weakness.

A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2022-001; 2022-002; 2022-003; and 2022-005 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The Board’s responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Board’s responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
March 20, 2023



**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-001. **FINDING** (Inadequate Controls over Cash Collections)

The Judicial Inquiry Board (Board) did not timely deposit a cash receipt.

During our testing, we noted the one (100%) refund receipt tested, totaling \$6,993, was deposited 97 days late.

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2(a)) requires the Board to deposit receipts collected into the State Treasury within a specific number of business days, depending on the value of receipts on hand.

This finding was first noted during the examination of the two years ended June 30, 2016. In subsequent years, the Board has been unsuccessful in implementing a corrective action plan.

Board personnel stated due to the uniqueness of the receipt transaction, the Board personnel were unfamiliar as to how to process the refund receipt.

Untimely deposit of receipts is noncompliance with the Act and reduces the amount of money available and interest earned for the State. (Finding Code No. 2022-001, 2020-001, 2018-001, 2016-001)

RECOMMENDATION

We recommend the Board comply with the requirements of the Act.

BOARD RESPONSE

The Board agrees with the finding. The Board is now aware of the procedure to process refund receipts if, in the unlikely event that type of transaction occurs again.

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-002. **FINDING** (Inadequate Controls over Contractual Services)

The Judicial Inquiry Board (Board) did not maintain adequate controls over its contractual services expenditures.

During our testing of two contracts for Fiscal Year 2021 and 2022, we noted the following exceptions for one of 2 (50%) contracts tested, totaling \$240,000:

- The contract did not include the actual date when the contract was signed. Additionally, the dated vendor signature was 41 days after the start of services.

The Statewide Accounting Management System (SAMS) (Procedure 15.10.40) requires State agencies to file with the Office of Comptroller a copy of a contract, purchase order, grant, lease, cancellation or modification thereto within 30 days of execution. For filing purposes, “execution” occurs when all required elements of the agreement have been written and formally approved (in writing) by all parties as required by law for filing with the Office of Comptroller. Further, the Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure agreements are signed by all parties prior to the beginning of the contract term.

- The contract was not filed with the Office of Comptroller within 30 calendar days after execution. Additionally, the Board did not file the Late Filing Affidavit for this contract.

The SAMS (Procedure 15.10.40) requires State agencies to file with the Office of Comptroller a copy of a contract, purchase order, grant, lease, cancellation or modification there within 30 days of execution. When a contract, purchase order, grant or lease obligation has not been filed within 30 days of execution, the Board must file an affidavit with the Comptroller. The affidavit must be signed by the chief executive officer of the agency or his or her designee, setting forth an explanation of why the contract liability was not filed within 30 days of execution.

- The contract did not include a properly completed contract obligation document (COD). Specifically, the professional and artistic contract was for legal services not subject to the State Indemnification Act, however

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-002. **FINDING** (Inadequate Controls over Contractual Services) (Continued)

the COD did not contain a statement or words of similar import in the COD description block, as required.

The SAMS (Procedure 15.20.30) requires all contracts for legal services (detail object 1244) filed with the Office of Comptroller not subject to the State Indemnification Act contain the following statement or words of similar import in the description block for the COD - Contract Obligation Document (C-23): “This contract is not subject to the State Indemnification Act.”

- The contract did not include the Legal Status Disclosure Certification and Environmental Protection Compliance Certification. The contract was a professional and artistic contract.

The SAMS (Procedure 15.20.30) requires professional and artistic contracts exceeding \$20,000 to be filed with the Office of Comptroller, supported by documentation that includes the contractor’s Legal Status Disclosure Certification and Environmental Protection Compliance Certification.

In addition, one (100%) interagency agreement was signed 1,040 days late.

The Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure agreements are timely approved.

Board personnel stated the exceptions were due to oversight.

Lack of proper controls over contract documents could result in unenforceable contractual agreements. (Finding Code No. 2022-002, 2020-004)

RECOMMENDATION

We recommend the Board strengthen controls to ensure timely execution, proper completion, and accurate filing of contracts and related documents, including ensuring submission of Late Filing Affidavits when necessary.

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-002. **FINDING** (Inadequate Controls over Contractual Services) (Continued)

BOARD RESPONSE

The Board agrees with the finding. The Board has implemented additional measures to ensure timely execution, proper completion, and accurate filing of contracts and related documents, including ensuring submission of Late Filing Affidavits when necessary.

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-003. **FINDING** (Weaknesses over Petty Cash Fund Reporting)

The Judicial Inquiry Board (Board) has weaknesses over its petty cash fund reporting.

During testing, we noted the following:

- The Calendar Year (CY) 2020 Petty Cash Fund Usage Reports (C-18) was filed with the Office of Comptroller 75 days late.

The Statewide Accounting Management System (SAMS) (Procedure 09.10.40) requires the C-18 be completed for those petty cash funds exceeding \$100 and filed with the Office of Comptroller no later than January 31 for the preceding calendar year.

- Change of Custodianship or Location Petty Cash or Change Fund (C-85) was not filed with the Office of Comptroller when the Board moved to their new office on January 28, 2022.

SAMS Procedure 09.10.40 requires completion of the C-85 showing the old and new address and submit to the Office of Comptroller, State Accounting Department.

- The CY 2020 and 2021 Petty Cash Internal Control Certification (C-86) was filed with the Office of Comptroller 190 days late.

SAMS Procedure 09.10.40 requires the C-86 completed, at a minimum, biennially (once every two years) for each petty cash and change fund exceeding \$100 and established for one year and submitted to the Office of Comptroller by July 31.

- The June 2022 petty cash fund expenditures had not been reimbursed from the Office of Comptroller as the end of Fiscal Year 2022 lapse period.

SAMS Procedure 09.10.40 requires expenditures related to a fiscal year must be reimbursed from that fiscal year's lapsing appropriations.

Board personnel stated exceptions were due to oversight.

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-003. **FINDING** (Weaknesses over Petty Cash Fund Reporting) (Continued)

Failure to timely file C-18, C-85 and C-86 reports to the Office of Comptroller results in noncompliance with SAMS and prevents the State from accumulating meaningful oversight information. In addition, failure to timely reimburse petty cash funds limits its available usage. (Finding Code No. 2022-003)

RECOMMENDATION

We recommend the Board strengthen controls to ensure completion and timely filing of required reports to the Office of Comptroller. In addition, we recommend the Board timely reimburse expenditures from that fiscal year's lapsing appropriations.

BOARD RESPONSE

The Board agrees with the finding. The Board has implemented additional measures to ensure completion and timely filing of required reports to the Office of Comptroller.

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-004. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively)

The Judicial Inquiry Board's (Board) 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 Board to determine whether certain key attributes were properly entered by the Board's staff into the ERP. In order to determine the operating effectiveness of the Board'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.

Our testing noted four of 140 (3%) attributes were not properly entered into the ERP System. Therefore, the Board's internal controls over voucher processing were not operating effectively.

The Statewide Accounting Management System (SAMS) (Procedure 17.20.20) requires the Board to, after receipt of goods or services, verify the goods or services received met the stated specifications and prepare a voucher for submission to the Comptroller's Office to pay the vendor, including providing vendor information, the amount expended, and object(s) of expenditure.

Further, the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.30) requires the Board maintain records which reflect the date goods were received and accepted, the date services were rendered, and the proper bill date. Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance expenditures are properly recorded and accounted for to maintain accountability over the State's resources.

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

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-004. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively)
(Continued)

Even give the limitations noted above, we conducted an analysis of the Board's expenditures data for fiscal years 2021 and 2022 to determine compliance with the State Prompt Payment Act (Act) (30 ILCS 540) and the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70). We noted the following noncompliance:

- The Board did not timely approve 41 of 324 (13%) vouchers processed during the examination period, totaling \$253,362. We noted these vouchers were approved between 1 and 183 days late.

The Code (74 Ill. Admin. Code 900.70) requires the Board to timely review each vendor's invoice and approve proper bills within 30 days after receipt.

- The Board owed one vendor interest totaling \$5 in fiscal year 2021; however, the Board had not approved this voucher for payment to the vendor.

The Act (30 ILCS 540) requires agencies to pay vendors whose interest accrued but does not exceed \$50 at the end of the fiscal year.

Board personnel stated the exceptions were due to oversight.

Failure to properly enter the key attributes into the State's ERP when processing a voucher for payment hinders the reliability and usefulness of data extracted from the ERP, which can result in improper interest calculations and expenditures. In addition, failure to timely process proper bills and approve vouchers for payment of interest due represents noncompliance with the Code and the Act. (Finding Code No. 2022-004)

RECOMMENDATION

We recommend the Board design and maintain internal controls to provide assurance its data entry of key attributes into ERP is complete and accurate. Further, we recommend the Board approve proper bills within 30 days of receipt and approve vouchers for payment of interest due to vendors.

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-004. **FINDING** (Voucher Processing Internal Controls Not Operating Effectively)
(Continued)

BOARD RESPONSE

The Board agrees with the finding. The Board will strengthen internal controls to ensure that its data entry of key attributes into ERP is complete and accurate and to ensure that proper bills are paid within 30 days of receipt.

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-005. **FINDING** (Failure to Fully Utilize the State’s Enterprise Resource Planning System)

The Judicial Inquiry Board (Board) did not utilize all capabilities of the State’s Enterprise Resource Planning (ERP) System which resulted in unnecessary inefficiency.

The State’s implementation of an ERP centralized the finance, procurement, grants management, and asset management processes by replacing outdated manual systems and technologies. The ERP can enhance transparency of data, reduce processing time, and improve the timeliness of financial reporting. During the examination period, the ERP’s processing integrity was sufficient to enable reliance upon ERP’s processing of transactions.

For commodities and property inventories, the ERP has several functionalities which reduce the amount of manual transactions and processing time, such as the “shopping cart” feature that creates a purchase order, tracks receipt of the goods or service along with the vendor’s related invoice, helps generate the voucher fields necessary for the processing of payment to the vendor, records inventory and property transactions, and enables financial reporting to the Office of Comptroller.

During our examination, we noted the Board did not utilize the Asset Management Module. The Asset Management Module maintains fixed assets records, depreciation, leases, physical inventory, and the required reporting.

Government Auditing Standards (§ 1.02) states the concept of accountability for use of public resources and government authority is key to our nation’s governing processes. Management and officials entrusted with public resources are responsible for carrying out public functions and providing service to the public effectively, efficiently, economically, and ethically within the context of the statutory boundaries of the specific government program.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable laws. Good internal controls over compliance include ensuring the full capabilities of the ERP are used to efficiently process, record, and report transactions.

Board personnel stated it is more efficient for the Board to manually monitor its asset/inventory records rather than utilizing the ERP system.

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-005. **FINDING** (Failure to Fully Utilize the State’s Enterprise Resource Planning System) (Continued)

Failure to fully utilize the State’s ERP System could result in errors, outdated systems not being supported, untimely financial information and the lack of full transparency and resulted in the inefficient usage of State resources. (Finding Code No. 2022-005)

RECOMMENDATION

We recommend the Board work with the Department of Innovation and Technology to transition and fully utilize the Asset Management module of the ERP System.

BOARD RESPONSE

The Board accepts the recommendation and will work with the Department of Innovation and Technology to transition and fully utilize the Asset Management module of the ERP System for its State Property reporting. The Board has proven that they’ve complied with the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) by having no significant exceptions of the Board’s State Property reporting during the current examination period.

**STATE OF ILLINOIS
JUDICIAL INQUIRY BOARD
SCHEDULE OF FINDINGS - PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2022**

A. **FINDING** (Inadequate Controls over Personal Services)

During the prior examination, the Judicial Inquiry Board (Board) did not exercise adequate controls over personal services. We noted the Board failed to properly submit and complete time reports, leave forms and earned compensatory time reports, failed to ensure accrued leave balances were properly calculated and failed to maintain payroll deduction forms.

During the current examination, no exceptions were noted during our sample testing of personal services expenditures, timekeeping reports/forms, and personnel files. (Finding Code No. 2020-002, 2018-002, 2016-003)

B. **FINDING** (Untimely Filing of FCIAA Certifications)

During the prior examination, the Board did not timely file its Fiscal Year 2020 Fiscal Control and Internal Auditing Act (FCIAA) certification with the Office of the Auditor General.

During the current examination, the Board timely filed its FCIAA Certifications. (Finding Code No. 2020-003)

C. **FINDING** (Inadequate Controls over State Property Reporting)

During the prior examination, the Board did not maintain adequate controls over the reporting of State Property.

During the current examination, no significant exceptions were noted during our sample testing of the Board's State Property reporting. (Finding Code No. 2020-005)