

**STATE OF ILLINOIS  
LEGISLATIVE AUDIT COMMISSION**

**COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2015

STATE OF ILLINOIS  
 LEGISLATIVE AUDIT COMMISSION  
 COMPLIANCE EXAMINATION  
 For the Two Years Ended June 30, 2015

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STATE OF ILLINOIS  
LEGISLATIVE AUDIT COMMISSION  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2015

**AGENCY OFFICIALS**

Director	Ms. E. Jane Stricklin
Fiscal Officer (6/16/15 – Present)	Mr. Roland Sundberg
Fiscal Officer (thru 12/31/14)	Ms. Mary Dunne

Agency offices are located at:

622 Stratton Office Building  
Springfield, IL 62706



# Legislative Audit Commission

622 WILLIAM G. STRATTON BUILDING • SPRINGFIELD, ILLINOIS 62706 • 217/782-7097 • FAX 217/524-9030

December 10, 2015

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

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, Legislative Audit Commission (Commission). 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 Commission's compliance with the following assertions during the two-year period ended June 30, 2015. Based on this evaluation, we assert that during the years ended June 30, 2015 and June 30, 2014, the Commission has materially complied with the assertions below.

- A. The Commission 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 Commission 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 Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Yours very truly,

Legislative Audit Commission

*E. Jane Stricklin*

E. Jane Stricklin, Executive Director

*Roland Sundberg*

Roland Sundberg, Fiscal Officer

STATE OF ILLINOIS  
LEGISLATIVE AUDIT COMMISSION  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2015

**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.

**ACCOUNTANT’S REPORT**

The Independent Accountant’s 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>Current</u>	<u>Prior</u>
	<u>Report</u>	<u>Report</u>
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

**EXIT CONFERENCE**

The Legislative Audit Commission waived an exit conference in correspondence dated December 7, 2015.

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OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANT'S 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 State of Illinois, Legislative Audit Commission's (Commission) compliance with the 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, 2015. The management of the Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Commission's compliance based on our examination.

- A. The Commission 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 Commission 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 Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

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 Commission's compliance with those requirements listed in the first paragraph of this report 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 Commission's compliance with specified requirements.

In our opinion, the Commission complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2015.

### **Internal Control**

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Commission's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances 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, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

As required by the Audit Guide, immaterial findings 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 for the years ended June 30, 2015 and June 30, 2014 in Schedules 1 through 6 and the Analysis of Operations Section 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 June 30, 2015 and June 30, 2014 accompanying supplementary information in

Schedules 1 through 6. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2013 accompanying supplementary information in Schedules 3 through 5 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

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, CPA  
Director of Financial and Compliance Audits

Springfield, Illinois

December 10, 2015

STATE OF ILLINOIS  
LEGISLATIVE AUDIT COMMISSION  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2015

**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 - 2015
  - Schedule of Appropriations, Expenditures and Lapsed Balances - 2014
  - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
  - Schedule of Changes in State Property
  - Analysis of Significant Variations in Expenditures
  - Analysis of Significant Lapse Period Spending
  
- Analysis of Operations (Not Examined):
  - Agency Functions and Planning Program (Not Examined)
  - Average Number of Employees (Not Examined)
  - Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2015 and June 30, 2014 accompanying supplementary information in Schedules 1 through 6. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS  
 LEGISLATIVE AUDIT COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
 Appropriations for Fiscal Year 2015

Fourteen Months Ended August 31, 2015

P.A. 98-0679 <u>Appropriated Funds</u> <u>General Revenue Fund (001)</u>	Appropriations	Expenditures Through 6/30/15	Lapse Period Expenditures 7/01 - 8/31/15	Total Expenditures	Balances Lapsed
Operational Expenses	\$ 273,100	\$ 242,456	\$ 671	\$ 243,127	\$ 29,973
Total - Appropriated Funds	<u>\$ 273,100</u>	<u>\$ 242,456</u>	<u>\$ 671</u>	<u>\$ 243,127</u>	<u>\$ 29,973</u>

Note 1: Appropriations, expenditures and lapsed balances were obtained from Commission records and have been reconciled to State Comptroller records.  
 Note 2: Expenditure amounts are vouchers approved for payment by the Commission and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS  
 LEGISLATIVE AUDIT COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
 Appropriations for Fiscal Year 2014

Fourteen Months Ended August 31, 2014

P.A. 98-0064	Appropriations	Expenditures Through 6/30/2014	Lapse Period Expenditures 7/01 - 8/31/14	Total Expenditures	Balances Lapsed
<u>Appropriated Funds</u>					
<u>General Revenue Fund (001)</u>					
Operational Expenses	\$ 243,100	\$ 241,563	\$ 985	\$ 242,548	\$ 552
Total - Appropriated Funds	<u>\$ 243,100</u>	<u>\$ 241,563</u>	<u>\$ 985</u>	<u>\$ 242,548</u>	<u>\$ 552</u>

Note 1: Appropriations, expenditures and lapsed balances were obtained from Commission records and have been reconciled to State Comptroller records.  
 Note 2: Expenditure amounts are vouchers approved for payment by the Commission and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS  
 LEGISLATIVE AUDIT COMMISSION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
 EXPENDITURES AND LAPSED BALANCES**  
 For the Fiscal Years Ended June 30, 2015, 2014, and 2013

	2015	2014	2013
	P.A. 98-0679	P.A. 98-0064	P.A. 97-0726
<b>General Revenue Fund - 001</b>			
Appropriations	\$ 273,100	\$ 243,100	\$ 233,500
Expenditures			
Operational Expenses	\$ 243,127	\$ 242,548	\$ 231,451
Total Expenditures	\$ 243,127	\$ 242,548	\$ 231,451
Lapsed Balances	\$ 29,973	\$ 552	\$ 2,049

STATE OF ILLINOIS  
 LEGISLATIVE AUDIT COMMISSION  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
 For the Two Years Ended June 30, 2015

	Equipment
Balance at July 1, 2013	\$ 31,277
Additions	206
Deletions	-
Net Transfers	-
Balance at June 30, 2014	\$ 31,483
Balance at July 1, 2014	\$ 31,483
Additions	523
Deletions	(206)
Net Transfers	(1,644)
Balance at June 30, 2015	\$ 30,156

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

STATE OF ILLINOIS  
LEGISLATIVE AUDIT COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2015

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2015 AND 2014**

There were no significant variations in expenditures noted during Fiscal Years 2015 and 2014.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2014 AND 2013**

There were no significant variations in expenditures noted during Fiscal Years 2014 and 2013.

STATE OF ILLINOIS  
LEGISLATIVE AUDIT COMMISSION  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2015

**FISCAL YEAR 2015**

No significant lapse period spending was noted during Fiscal Year 2015.

**FISCAL YEAR 2014**

No significant lapse period spending was noted during Fiscal Year 2014.

STATE OF ILLINOIS  
LEGISLATIVE AUDIT COMMISSION  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)**  
For the Two Years ended June 30, 2015

**AGENCY FUNCTIONS**

The Legislative Audit Commission (Commission) was created as a legislative support services agency subject to the Legislative Commission Reorganization Act of 1984 (25 ILCS 150). The Commission's primary duty is to review reports received from the Auditor General and take action thereon and make recommendations to the General Assembly. The Commission is also to determine what remedial measures, if any, are needed and whether special studies and investigations are necessary and, if deemed necessary, direct the Auditor General to undertake such studies or investigations. The Commission is to report its activities to the General Assembly not less than annually and not later than March 1 each year.

The Commission is composed of 12 members and the membership is equally divided between the House of Representatives and the Senate and the two primary political parties. For Fiscal Years 2014 and 2015, Representative Frank Mautino and Senator Jason Barickman were Commission Co-chairs. The appointed Commission members as of June 30, 2015 were as follows:

**SENATE MEMBERS**

Sen. Jason Barickman  
Sen. Darin LaHood  
Sen. Andy Manar  
Sen. Iris Martinez  
Sen. John Mulroe  
Sen. Jim Oberweis

**HOUSE MEMBERS**

Rep. Fred Crespo  
Rep. C.D. Davidsmeyer  
Rep. Sheri Jesiel  
Rep. Frank Mautino  
Rep. David Reis  
Rep. Robert Rita

The Joint Committee on Legislative Support Services provides the foundation for the Commission's goals. The Commission supplements these goals by establishing policy and direction for the staff which are documented in the minutes of the Commission meetings.

During Fiscal Years 2014 and 2015, Commission planning continued to emphasize the following:

- A. Timely review of financial audits and compliance examinations.
- B. Support and enactment of remedial and other legislation.
- C. Review of emergency purchases, travel reports, and awards to other than the lowest bidder made by State agencies.

STATE OF ILLINOIS  
LEGISLATIVE AUDIT COMMISSION  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)**  
For the Two Years Ended June 30, 2015

D. Maintenance of a web page as a source of up-to-date information about Audit Commission activities. This site includes reports and forms associated with the Commission.

E. Distribution of booklets on revised Purchasing Laws and University Guidelines.

E. Jane Stricklin, Executive Director, serves at the direction of the Legislative Audit Commission and operates the Agency with a staff of three, guided by the Operating Rules for Legislative Support Service Agencies.

The Commission's daily operations are funded from the General Revenue Fund.

**PLANNING PROGRAM**

The Commission's objectives are defined by statute and their main activity is to review reports received from the Auditor General and take action thereon and make recommendations to the General Assembly. Their statutory duties necessarily serve as the Commission's goals and are the framework of their planning function.

STATE OF ILLINOIS  
LEGISLATIVE AUDIT COMMISSION  
**AVERAGE NUMBER OF EMPLOYEES (NOT EXAMINED)**  
For the Two Years Ended June 30, 2015

The following table, prepared from Commission records, presents the average number of employees, by function, for the Fiscal Years ended June 30,

<u>Function</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Administrative	<u>3</u>	<u>3</u>	<u>3</u>
Total average full-time employees	<u><u>3</u></u>	<u><u>3</u></u>	<u><u>3</u></u>

STATE OF ILLINOIS  
LEGISLATIVE AUDIT COMMISSION  
**SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)**  
For the Two Years ended June 30, 2015

The Legislative Audit Commission is mandated by law (25 ILCS 150/0.01-6) to review all audits conducted by the State Auditor General. The primary responsibilities of the Commission are to:

- Conduct public hearings on all major audits of State agencies to review problems, assess agency stewardship, and secure remedial action;
- Initiate and review management and program audits and investigations;
- Make recommendations to the General Assembly and agency management for corrective legislation and other measures to remedy weaknesses disclosed through audits or at Commission meetings; and
- Monitor agency progress in implementing corrective action.

The Commission reviewed and took action on 164 financial and compliance reports, 1 management/program audit, 1 performance audit, and 13 Statewide Single audits during Fiscal Year 2014. The Commission held ten meetings during Fiscal Year 2014. The Commission reviewed and took action on 117 financial and compliance reports, 4 management/program audits, 1 performance audit and 1 Statewide Single audit during Fiscal Year 2015. The Commission held eight meetings during Fiscal Year 2015. The Commission adopted zero resolutions during Fiscal Year 2014 and one resolution during Fiscal Year 2015.